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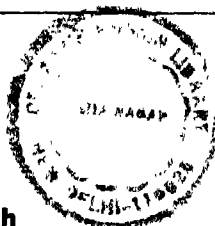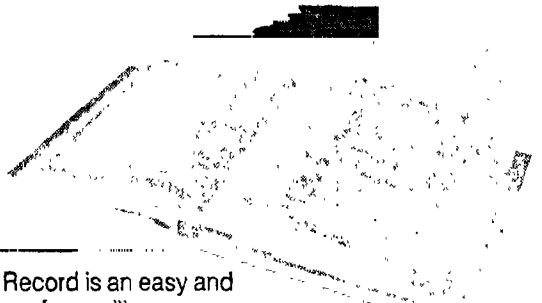
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Note of the month

PRESIDENT SADAT'S INITIATIVE

The Guardian got it right when it wrote that it was as welcome as it was unusual for a man, and especially a politician, to rise above expectations. President Anwar Sadat of Egypt did so on 20 November when he addressed the Israeli Knesset. Eleven days earlier, speaking to his own parliament in Cairo, he had shown his impatience with the years of exchanges with the Israelis by way of intermediary on points of formality and procedure. 'Henry Kissinger,' he had said, 'used to travel from Tel Aviv to Alexandria to change a word, a vowel, a letter or a sentence. On one occasion I said to him, "This effort is not worth the fuel which you are consuming." ' Insisting that there was now no time to lose, the President had declared his readiness 'to go to the ends of the earth', indeed 'to the Knesset itself' to talk to the Jews. Israel's Prime Minister, Mr Menachem Begin, who was obviously not entirely unprepared (probably as a result of signals from Bucharest) issued an immediate statement welcoming Mr Sadat to Jerusalem.

As an exercise in public relations the visit was a tremendous success in the two countries immediately concerned. The Israelis made no attempt to conceal their emotional response to the dramatic breach of the 29-year boycott by their neighbours. Newspapers and shop windows were filled with slogans in Arabic welcoming the visitor and saluting his country. The one Israeli who attempted to spit against the wind was the Chief of Staff, General Mordecai Gur. But his claim, in the newspaper *Yediot Aharonot*, that the Egyptian army was conducting military manœuvres on an unprecedented level, that it was systematically violating the terms of the interim agreement on the Suez Canal and that Sadat's visit was probably part of the cover for starting a new war did so much violence to the national mood that the Minister of Defence, General Weizman, had no difficulty in subjecting him to a public reprimand.

In Egypt, some opposition was apparent. The only man who, according to Mr Sadat, was consulted in advance, Ismail Fahmy, the Foreign Minister, who knew only too well what the reactions from his Arab colleagues would be, resigned immediately, and his deputy, Mr Riad, who had not known, took 24 hours longer to reach the same conclusion. The National Progressive Unionist party, the left wing now permitted as part of Sadat's experiment in democracy, which has four mem-

bers in the People's Assembly, made clear its disagreement. But the massive turnout in the Cairo streets following the President's return, despite the stream of abuse from other Arab states, was very much larger than could have been organized and showed both the Egyptian desire for peace and the continuing enthusiasm for Sadat that dates from the Yom Kippur War.

The principal gains from the Sadat visit have been, as he himself has said, psychological. The Israelis are now convinced that Egypt genuinely wants peace. The criteria they have repeatedly insisted on—readiness for face-to-face negotiation without intermediaries, acknowledgement to the Egyptian domestic audience of the existence and permanence of the State of Israel—have been met with a flourish. Several times during his visit Mr Sadat referred to his determination that there should be no more war and, although he did not use the phrase, he succeeded in conveying to Israeli public opinion that what he now had in mind was 'real peace', that is, not the mere absence of belligerency but rather the full exchange of ambassadors, sportsmen, tourists and traders. The critical importance for the Israelis of this concept of real peace was indeed one of the themes which the Americans had laboured hard to convey to the Arabs. On the other hand, in the substance of his speech to the Knesset the President did not depart in any way from the moderate Arab case for a final peace settlement: the Israeli withdrawal to the pre-1967 armistice lines; Arab recognition of the sovereignty and the need for security of the Israeli state; creation of a Palestinian Arab state. The only point which Sadat did not mention explicitly was the acceptance of the Palestine Liberation Organization (PLO) as the sole representative of the Palestinian Arabs, but he had, after all, thrust a Palestine state and an Arab Jerusalem down the throats of his hosts.

Throughout his visit Mr Sadat impressively combined dignified insistence on the essentials of the Arab point of view with a relaxed and even warm approach to personal relations with the leading Israelis. The use of religion in his rhetoric, which seems to appeal alike to Mr Begin and Mr Carter, supplied a common vocabulary. He timed his visit to enable him to say the prayers for Id al-Adha, the Feast of Sacrifice, in the al-Aqsa Mosque, the third most holy shrine of Islam, while at the same time solicitously inquiring from Mr Begin when his plane should arrive on the Saturday evening so as to avoid involving his hosts in any breach of the Sabbath.

The Israeli Prime Minister combines a magnanimous manner much fortified by comparative religious reference; which he displayed to advantage in Sadat's presence, with a semantic approach to politics which took the form, after his guest had left, of an ominous reiteration of his favourite argument that *Falastin* (the Arab for Palestine) and *Eretz Yisrael* are simply Arabic and Hebrew versions of the same name. In general, the

virtual unanimity of the initial Israeli appreciation of President Sadat's courage and style gave way to a confusion of sounds. Religious leaders like the Chief Rabbi and the Editor of the Talmudic Encyclopedia, calling attention to the unfortunate fact that apart from Jerusalem most of the land given to the Jewish people 'for ever' by the God of the Old Testament is situated in the contentious West Bank inhabited by Arabs, ruled that not an inch of Judaea and Samaria could be surrendered. On the other hand, many Israelis felt that the Government ought to have come up with some substantial concessions that would express the country's appreciation and support for Sadat. While the Herut and La'am factions of the majority remained utterly unmoved on questions of territory, dovelike flutterings could be heard from other sections of Mr Begin's original coalition and from one part of the Democratic Movement for Change which has at last decided to throw in its hand with the Government. The basic trouble remains that no one except the Sheli party and the Communists are prepared to speak of frontiers on the lines of those clearly indicated by the Egyptian President. For the inhabitants of the occupied West Bank and Gaza, Sadat's visit was initially unwelcome, but once he had come, the main fear was of an excessive reaction in the Arab world destroying the chances of a Geneva settlement.

Indeed, while Sadat's object was stated to be to smooth the path to Geneva and to win over the most important television audience, that of the United States, Washington's first reaction was alarm that the Egyptian President's trip would once again derail the elaborately prepared Geneva conference. Mr Carter had, after all, incurred considerable criticism by the joint statement with the Soviet Union about the Middle East on 1 October for the sake of enlisting Russian co-operation in the Geneva preparations. Mr Sadat, who has always objected to the collusion of the super-powers, launched his initiative in an anti-Soviet context, and when the Soviet response to his Jerusalem trip was hostile, he showed no hesitation in stepping up tension by throwing out the Soviet consulates and cultural missions from Egypt.

The first sounds out of Damascus paralleled the Soviet line. President Assad made it quite apparent that he was completely opposed to the Jerusalem trip and his Minister of Information compared Sadat to Marshal Pétain. The PLO, which had suffered heavy losses at the hands of Syria during the Lebanese fighting, felt constrained to identify with it now. The only choice was whether Sadat was to be condemned by a hastily summoned meeting at Tripoli or by one at Baghdad. President Assad, perhaps understandably, preferred the hospitality of Colonel Qaddafi to that of his fellow Ba'th socialist and deadly enemy, President Baqr; and the Tripoli 'summit of steadfastness and confrontation' declined Iraq's invitation to block the road to Geneva completely by repudiating the UN resolutions on which President Carter has based the

long months of pre-conference diplomacy. The PLO, however, where the influence of Yasser Arafat has suffered an at least temporary eclipse, took the occasion to link arms with Dr George Habash's Popular Front for the Liberation of Palestine (PFLP) in apparent 'rejectionist' solidarity. The existence since 1971 of a paper federation between Libya, Egypt and Syria happily supplied the other two with something from which Egypt could be expelled. Significantly neither Jordan nor Saudi Arabia was present at Tripoli, where South Yemen, Algeria and Libya were the only states to join Syria, while Iraq, loathing to be found in Syrian company, stormed out with the excuse that the others had not rejected enough.

The real danger against which the psychological gains of the Sadat visit had to be set was that the Geneva conference would be postponed while there would be no compensating progress over issues of substance at the meeting called in Cairo, for which Israel, the United States and the United Nations accepted invitations. President Sadat had used the opposite technique to that of the bazaar: he had chosen to open with what must be very nearly his final offer, whereas most of the Israelis (and not only Mr Begin) were talking as though first bids only were put down on the table of the Knesset. It was a bold move to have swept away the psychological barriers with a single gesture, but Arab critics pointed out that the removal of these barriers were the only cards which they had to play.

KEITH KYLE

Terrorism: the international response

PAUL WILKINSON

As long as there remains a hard core of actively pro-terrorist states, attempts at universal conventions and treaties against terrorism are doomed to fail. Meanwhile firm national anti-terrorist measures and a sophisticated intelligence gathering system are vital.

IT is now much more widely recognized, both among political analysts and the general public, that there is a distinction between terrorism and other forms of violence. Terrorism cannot be equated with guerrilla war in general, and indeed the recent escalation of acts of terrorism both internationally and within liberal democratic states has been the work of relatively tiny pure terror groups and transnational gangs (such as the Japanese Red Army, the Carlos gang, and the Red Army Faction) using this weapon alone, without any accompaniment of guerrilla war.

In essence, terrorism is a weapon of coercive intimidation, typically involving the taking of hostages and the threat of the gun and the bomb, to coerce governments to submit to terrorist demands. Characteristic objectives of terrorist groups are publicity, both national and international, the release of fellow terrorists from gaol, and large ransoms. Possible longer-term objectives include: inducing a general climate of collapse and fear; weakening and dividing governments and communities; and provoking the authorities into an over-reaction which would alienate popular support and enable the terrorist movement to pose as the defenders of the people.

It is clear that terrorism does not need complex equipment or large reserves of cash and manpower. And a knowledge of its basic techniques can be simply acquired from military and terrorist manuals and from the very full media coverage of the subject. Since 1967, when desperate Palestinian groups took to international terrorism in the wake of the Arab defeat in the Six-Day War, terrorism has become the characteristic weapon of the weak pretending to be strong.

However, since the early 1970s there have been three trends in international terrorism which have made it potentially a far more dangerous

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problem for the international system. Firstly, it is clear that certain states have begun to develop 'proxy' terrorism as a weapon of coercive diplomacy against rival states. They have provided terrorist groups with the vital training, weaponry, cash and sanctuary to mount these operations. Secondly, the terrorists have begun to acquire far more sophisticated modern weaponry, such as surface-to-air missiles, with which to challenge the traditional state monopoly of armed force. There is every reason to fear that terrorists will in due course obtain and deploy some kind of nuclear weapon, however primitive. The third serious trend has been the increasing internationalization of terrorist operations, and the development of bilateral and multilateral co-operation by movements from different countries. The international community has not yet developed an adequate response to this threat from international and transnational terrorism. The present article is concerned with this phenomenon of pure terror, and the problem of international response to it. It is not concerned with the subjects of guerrilla war and national liberation struggle proper.

What is the scale of the problem? Clearly neither internal nor international terrorism results in massive loss of life on the scale of civil and international war. But the fatalities are by no means inconsequential. Since 1960, thousands of lives have been lost through acts of internal terrorism. In 1968, in Vietnam alone terrorism claimed over 6,000 victims. And over 1,700 have died through terrorism in Northern Ireland since 1969. The number of deaths and injuries caused by international terrorism, on the other hand, has been relatively small: on my figures, approximately 1,000 deaths and 2,500 injured since 1965. This compares with the average annual homicide rate of around 1,000 which prevails in many major American cities.[1]

Yet it is grossly misleading to attempt to assess the seriousness of terrorism purely in necrological terms. One of the most shocking aspects of international terrorism is that it involves an attack on the innocent. Terrorists observe no restraints or rules of war. Their victims include women and children, the sick and the old, and nationals of neutral or third-party states who have no knowledge of, or involvement with, the terrorists' conflict and cause. It is precisely this callous disregard for humanity, this willingness to regard any human life as expendable for political ends, that makes terrorism intolerable in any civilized society. Moreover, terrorists armed with destructive modern weaponry and using more sophisticated tactics and international organization can threaten states with far more deadly blackmail. They challenge the authority of governments and the rule of law.

Still more dangerous, in the international context, is the possibility of

[1] For figures on internal and international terrorist incidents and a discussion of their implications, see Paul Wilkinson, *Terrorism and the Liberal State.*

protracted terrorism exacerbating internal conflicts, disrupting local power balances and helping to provoke international conflicts.

In short, as is now increasingly realized by the international community, terrorism presents not only a potential threat to the security, peace and economic and social well-being of local communities, but also to the stability of the international order itself. What can the world community do to defend itself against these contemporary *hostes humani generis*?

Lessons of Mogadishu

The West German Government's magnificent rescue operation of 18 October at Mogadishu airport has been widely hailed as a vindication of the tough-line strategy to combat terrorism. It was a welcome contrast to the abject surrender of the Japanese Government to the Red Army hijackers at Dacca. There have been some notorious instances of governments cravenly succumbing to terrorist blackmail, for example Greece in May 1974 and Austria in December 1975. Both Entebbe and Mogadishu have helped to explode the myth of terrorist invincibility. Even under the enormous pressures of double blackmail the West German Government proved it is possible to break out of the almost mesmeric climate of fear and helplessness which the terrorist tries to create. Just as any acts of cowardice or weakness play into the terrorists' hands, so courageous resistance reduces the gangsters to size and undermines the terrorist organization.

As I have, for some years, been advocating this policy, it is natural that my friends in the media and in politics should ask me whether I think Mogadishu is the decisive breakthrough in the world-wide battle against international terrorism, or at least whether it marks the beginning of the end for aviation terrorism.

My answer would be that I hope so but that we cannot be sure. Certainly the rescue of the Lufthansa hostages hijacked by members of the Popular Front for the Liberation of Palestine (PFLP) had a number of encouraging novel features. Unlike the Israelis, who boldly pioneered the long-range anti-terrorist rescue at Entebbe, the Germans did not have to dispose of a hostile force collaborating with the terrorists. Mogadishu marks the first clear case of a state recipient of a hijack agreeing to allow the forces of the lawful owner state access to regain the aircraft by storm. Still more remarkable is the fact that Somalia has a Marxist-oriented revolutionary régime which had, ironically, given sanctuary and succour to international terrorists until quite recently. (Indeed Waddih Haddad actually set up his headquarters for the Entebbe hijack on Somali territory.)

It is true that the West Germans were particularly lucky in the recent changed political circumstances which made the Somali Government

more amenable to co-operation. Soviet military aid to Somalia had abruptly ceased while its adversary, Ethiopia, was receiving a heavy infusion of Soviet arms and aid; Somalia was thus suddenly in dire need of a powerful ally. West Germany is wealthy enough to afford the generous economic assistance, the promise of which clearly sweetened the path to the commando rescue co-operation. Yet another hopeful feature of the affair was the clear unwillingness of the Arab states to allow the hijackers to land at their airports.

But the best news of all was the military success of the GSG (*Grenzschutzgruppe*) 9 operation. It was a remarkable feat of arms to storm the aircraft without a single passenger's life lost. Suppose the hijackers had been forewarned of the attack by some pro-PFLP radio ham or communications centre? Suppose the terrorists had carried out their threat and blown up the plane with all on board? The initial reaction would have been shock and grief at such a tragedy. But then the questions would have begun. Was the West German Government to be blamed for the catastrophe? Perhaps, even, should the Cabinet crisis-committee members be forced to resign? It would have been very much more difficult for the West German Government, or for any government, to carry public opinion with it in taking tough counter-offensive action against terrorists in the future.

Another novel feature of the Mogadishu rescue should be carefully noted. It showed a considerable investment of co-operation between member states of the European community. The use of British SAS 'stun' grenades and personnel in the attack represents, at least in the military technical field, the most effective form of international military co-operation to fight terrorism. In this respect, as in others, Mogadishu remains both an inspiration and a valuable model for the future.

Yet, despite the natural euphoria about the success of the rescue, we should recognize that, in the wider context of international terrorism, it was only a battle that was won at Mogadishu, not the war itself. That the hijack took place at all was the result of a bad British security lapse in letting Akache out of Britain and appallingly inadequate Spanish security at Majorca airport. And it should be noted that Spain is by no means the only state gravely deficient in airport security. It is heartening that Britain is taking the opportunity of tightening its own airport security with a newly announced anti-hijack secuiity force. But though we should welcome evidence that more governments are being galvanized into tightening search and security procedures, we should be wise not to regard this as a panacea. Such measures cannot of themselves prevent terrorist attacks on aircraft or aviation facilities on the ground, or missile attacks on aircraft in flight. Moreover, as I have pointed out in my new book, international terrorists have demonstrated their capacity to secure an airliner as part of their ransom price. I have termed this the 'getaway

hijack'. The battle against skyjacking is but one facet of the larger war against international terrorism.

Moreover, Mogadishu was a battle with a tragic price. The brave captain of the Lufthansa was murdered in cold blood in front of the passengers. And standing firm against the combined blackmail of the kidnappers of the West German industrialist, Hans Martin Schleyer, and the hijackers, which in my view was the only responsible course for Chancellor Schmidt and his colleagues, almost inevitably meant that the kidnappers would murder their victim. In the absence of any real leads from the German or the French police only a miracle could have saved Dr Schleyer.

Nor should we forget that the murderers of Herr Schleyer are still at large, and that the Red Army terrorists and their internationally based gangs of sympathizers are already threatening and planning some bloody acts of revenge. Hence the special urgency and poignancy of the appeals for international action on terrorism voiced by both President Scheel and Chancellor Schmidt.

Prospects for UN action

Sadly, as those who have studied the problem have long been aware, such initiatives, however earnest, have an unfortunate habit of running into the sands of international division, muddle and neglect. Governments tend to react to events, living from crisis to crisis and day to day. Our political leaders never seem to have time or inclination to stand back from the latest incidents and devise a long-term strategy to conquer the disease. And the only international organization which has shown any genuine will to provide leadership in combating international terrorism is the International Federation of Air Line Pilots Associations (IFALPA). Following the Lufthansa hijack, they expressed their legitimate anger and frustration at the lack of action by governments and the United Nations by threatening a protest strike which would have, in effect, paralysed world air services. The pilots were persuaded to call off their strike action after an assurance that the subject of aviation terrorism would be debated at the UN. Once again the pilots have been taken for a ride. All the UN General Assembly managed to agree was a pious resolution appealing to all nations to co-operate and end the threat of air hijackings. This is, practically speaking, useless. The desperate need is for internationally enforced sanctions which will really bite by depriving states that provide sanctuary and succour to terrorists of vital air services. The airline pilots and other aviation unions have a potentially powerful weapon which should be used discriminatingly against states which harbour hijackers. This is far more likely to be effective than a hundred empty appeals and goodwill resolutions.

The basic reason why the international response to terrorism has been so ineffectual is that the world community is ideologically divided for and

against the terrorists. Some states (such as Libya, Iraq and South Yemen) see the terrorist as a legitimate, even heroic, figure, a 'freedom fighter' carrying the struggle against 'imperialism' and 'racism' into the heart of the industrialized societies. Many states do not stop at mere condonation or moral support. The Soviet Union, Libya, North Korea, South Yemen and many other so-called revolutionary régimes are actually training hundreds of terrorists in their own camps every year, and provide vital arms, cash and other facilities to promote 'proxy' terrorism against states they wish to weaken or destroy. We shall not begin to understand the problems of fighting international terrorism unless we recognize that many of these gangs are tolerated, and even indirectly sustained and encouraged by states. As long as there remains a hard core of actively pro-terrorist states, attempts at universal conventions and treaties against terrorism are doomed to fail. Even if the number of signatories to the Montreal Convention were to increase miraculously from the present 79 to over 120, we are still going to have an intransigent handful of 'rogue states' providing vital escape hatches and bases for terrorist groups. Moreover, it is worth recalling that there is as yet no international convention providing for enforcement of any of these aviation agreements. Of course, it is valuable for Western states to carry on pressing for such machinery, through the International Civil Aviation Organization Assembly and through the United Nations. No forum for international pressure and action should be ignored, however frustrating the outcome, however intransigent the opposition. At the very least the drafting of international conventions provides a skeletal framework for a régime of international law to deal with terrorism. And the very process of designing a convention may provide a chance to convince representatives of undecided states, by reasoned argument, that it is in the common interest to establish such a framework. For this reason we should welcome and fully support the West German initiative in seeking to get draft acceptance of a UN convention against the taking of hostages. This is due to be discussed again in committee this year, and it is to be hoped that the European Community states, and indeed all the Western democracies, will lend their strongest diplomatic and political support to this sensible measure. It would be a surprising achievement if it were to be adopted by the UN as it stands, but, even if it is lost at the end of the day, my point is that the effort is intrinsically worthwhile as a form of political education.

I have painted a very gloomy picture of the prospects for general measures against international terrorism, whether under the auspices of the UN or any other body. But this is not an argument for abandoning the development of universal international law to cope with terrorism. I am suggesting that, on any realistic political assessment, it is foolish to expect much success from this approach, at any rate for the next 20 or 30 years.

Importance of national measures

Is this a counsel of despair? Is there no other effective response open to states apart from strengthening their own national police anti-terrorist capabilities, introducing severer penalties etc.? Tough national anti-terrorist measures are, in my view, absolutely vital. They are the building blocks for constructing some hostile international regions or areas for terrorists. A recent study found that between 1968 and 1975 only 146 persons classified as international terrorists had been arrested. No less than 140 of these had been released. Forty-seven others have been allowed to escape because their own governments chose to ignore offences committed abroad. Currently, it is estimated, only 20–25 international terrorists are in gaols around the world. These figures are testimony to the pusillanimity and irresponsible folly of governments.[1]

An essential requirement for combating international terrorism is a sophisticated intelligence gathering system. Time and again it is top quality intelligence that has enabled security forces to act in time to foil a terrorist attack before it can take place. For example, it was good intelligence that prevented a Palestinian group from firing a SAM-7 missile at an El Al airliner at Nairobi airport, preventing a catastrophe with only an hour to spare. Again, it was anti-terrorist intelligence that prevented another group from firing missiles at aircraft at Rome airport. Recently, Swedish intelligence managed to foil a planned terrorist attack on an Opec meeting. But it is on the quality of the national intelligence and police systems that we depend for this vital information. Hence everything must be done to improve both national expertise and international co-operation in this department.

European Community action

As long ago as 1974, I argued for a proper European Community machinery to co-ordinate anti-terrorist measures. After all, if the European democracies within the Community cannot co-operate in this basic defence of life and limb, what hope is there of their combining effectively in other fields? The democracies of Western Europe have many shared values and obvious common interests. With their freedoms of movement and free media, their cosmopolitan and highly urbanized cultures and their abundance of prestigious targets, the Western European states constitute the single most attractive regional arena for international terrorists. Not the least important factor is our proximity to the Middle East where the Arab-Israeli conflict spawned a veritable explosion of international terrorism after 1967. Between them, Europe and the Middle East have experienced over 40 per cent of international terrorist incidents in the past decade. There were no less than 146 politically motivated

[1] See *The Disposition of Persons involved in International Terrorism*, mimeographed report, Office to Combat Terrorism, US State Department, 1976.

hijackings in Europe and the Middle East between 1968 and 1976.

For these and many other reasons it is obvious that the European Community has both every incentive and every opportunity to establish effective regional collaboration against terrorism. Yet its record to date is singularly unimpressive. It was not until 1976 that a start was made in establishing consultations between EEC Ministers of the Interior and senior intelligence and police officials, and a system of routine intelligence exchange was set up. This was particularly necessary because Interpol is, at least formally, precluded by its constitution from handling data on politically motivated crimes. And in any case Interpol's unselective membership inevitably means that this organization is not secure enough to be entrusted with highly sensitive data on terrorism. Another useful intelligence resource which helps to offset Interpol's deficiency in the anti-terrorist field is the now well-established Nato system of data exchange on terrorist bombs, techniques, types of equipment etc.

However, it has to be said that European co-operation at the level of police and military consultation and bilateral co-operation is not matched by similar effective collaboration at the judicial and political levels.

Those who drafted and promoted the Strasbourg Convention for the Suppression of Terrorism (1977) had high hopes that it would make Western Europe into a truly hostile area for terrorists. Based on the principle *aut dedere aut punire*, it was intended to ensure that terrorists could no longer evade the law by slipping across Europe's patchwork of frontiers. Alas, it has been a failure in practice, despite the fact that 17 states immediately signed the Convention, due to fundamental disagreements about the terms of the Convention and their applicability. Certain states, such as France, Norway and Ireland, are anxious to keep political asylum or political exception clauses. But if certain states choose to accept political motivation as grounds for refusing extradition, this undermines the whole basis of the Convention. The only way it can work properly is to make all acts of terrorism (murder, attempted murder, kidnapping, arson etc.) common crimes in all states party to the Convention. Problems over political asylum and exception clauses have also proved a technical barrier to ratification. For example, Britain was unable to ratify immediately. We have to wait until the Extradition Act (1870) and the Backing of Warrants Act (Republic of Ireland, 1965) have been duly amended.

But the most serious question hanging over the Convention for the Suppression of Terrorism is whether each and every national government and judiciary really has the will to uphold it. If not, it will simply gather dust among all the other useless and ignored international treaties and conventions. France got off to a very bad start almost before the ink on the Convention was dry. In January of this year, Muhammad Daoud Audeh was arrested in France on an Interpol warrant initiated by West

Germany after a tip-off by Israeli intelligence to the French police. He was wanted for questioning in connexion with the planning of the terror attack at the Munich Olympics in 1972. Both Israel and the Federal Republic of Germany sought extradition. (Israel and France had already signed an extradition treaty.) To the astonishment of their allies, France allowed Daoud to be released after an extraordinary French Court judgement, which simply ignored the Convention for the Suppression of Terrorism and declared that Daoud could be released because he was wanted in connexion with an offence committed in a third country. Immediately afterwards, it was announced that France had concluded an important sale of Mirage jets to Egypt.

It is to be hoped that France can act speedily to restore its credibility as a partner in European anti-terrorist co-operation by affording fullest co-operation to the German authorities in their hunt for Herr Schleyer's murderers.

Some guiding principles

Alas, I have not space to discuss the many other complex aspects of international response. In conclusion, I shall attempt to define briefly the essential principles of the tough-line response to international terrorism which I would like to see applied both in Western Europe and elsewhere:

(i) There must be the political will to uphold the rule of law, protect the innocent and defeat terrorism. Without this, all treaties and conventions are not worth the paper they are written on.

(ii) Governments should follow a firm policy of refusing to accede to terrorist demands, especially political demands and demands for the release of imprisoned terrorists.

(iii) Terrorist acts should be treated as common crimes everywhere. Apprehended terrorists should be either brought to trial and awarded appropriate punishments under the judicial code or extradited to their country of origin. There should be no 'political exceptions' or government connivance at terrorist escapes, and no special treatment or privileges for terrorist prisoners.

(iv) Last, but not least, we must destroy the myths of terrorism. We must tell the truth about it. Terrorism is sheer bloody murder. All those who condone or glamourize and encourage it are aiding and abetting the murder and maiming of the innocent. We should not hesitate to say so.

Terrorism is crime. It is intolerable in a civilized community. We owe it to the thousands of victims of terrorism, including the many who have given their lives defending society from this scourge, to ensure that our governments and citizens do everything in their power to defeat it. Let us wage war against terrorism and win.

The new Soviet Constitution: a political analysis

MARTIN NICHOLSON

A NEW Soviet Constitution was adopted on 7 October 1977. It is the fourth in the 60 years of the Soviet regime and, like its predecessors, it is said to mark a specific stage along the road to Communism. The RSFSR Constitution of 1918 established the dictatorship of the proletariat; the USSR Constitution of 1924 was the first of the multi-national Soviet State; the 1936 'Stalin' Constitution confirmed the 'liquidation of the exploiting classes' and the 'victory of socialism'.[1] The new Constitution is spoken of in the Soviet press as the 'Constitution of developed socialism'. What does this mean? A brief reappraisal of the long history of its drafting, to which the first part of this article is devoted, will help to shed some light on the final text discussed in the second part.

Problems of drafting

Khrushchev first mentioned the need for 'changes and additions' to the 1936 Constitution at the 21st Party Congress in 1959. By the 22nd Party Congress in 1961 he was already talking of a completely new Constitution. This was because the Congress was adopting a new Party Programme which was to mark a new stage in the building of Communism—entering the home straight. The constitution of a socialist state, as Khrushchev explained to a session of the Supreme Soviet in April 1962, could not but change along with the transition from one historical epoch to another. Thus the new Constitution would reflect the complete victory of socialism and the start of the 'all-out' building of Communism, the change from the dictatorship of the proletariat to the state of the whole people[2] and from proletarian democracy to democracy of the whole people, and the change in the international position of the Soviet Union, which had broken out of capitalist encirclement and formed a socialist commonwealth. The Constitution should be 'the Constitution of the socialist state of the whole people, the Constitution of Communism which is being built';[3] in other words, it was to be the state adjunct to the Party Pro-

[1] *Izvestiya*, 5 December 1976.
[2] That is, a state in which those who had brought up the rear in the revolution, the peasantry and the intelligentsia, now identified with the working class.
[3] *Pravda*, 26 April 1962.

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amme. With this guidance the Supreme Soviet formed a Constitutional
ommission under Khrushchev and set to work with a view to com-
eting the task by 1966.

When Khrushchev fell in 1964, L. I. Brezhnev, in his capacity of First
rty Secretary, took over as Chairman of the Constitutional Commis-
on. But the new leadership had more pressing matters to deal with than
e Constitution. They had first to disembarrass themselves of Khrush-
ev's 'hare-brained schemes'. Among those which were shelved was the
iginal doctrinal basis of the new Constitution, the Party Programme,
th its unrealizable objectives and uncomfortably close deadlines, such
reducing the working week to 35 hours by 1970 and building the
aterial-technical basis of Communism by 1980. The new leadership
em to have had differences in their own approach, at least in their esti-
ate of the speed with which they could produce a new document
flecting their own views. Mr Brezhnev made his first political com-
itment to the new Constitution in a speech on 10 June 1966. He
plied that the document would be concerned only with reflecting
hievements to date and would say nothing about a 'new stage' or the
ilding of Communism. He also said that it should be ready for the
th anniversary of the revolution in 1967. The Constitutional Commis-
on was reorganized in December 1966.

ng silence

Nothing came of these initiatives. On the contrary, there was almost
tal silence on the new Constitution for the next six years. What went
ong? With hindsight it can be seen that in the post-Khrushchev era the
afters had been set an impossible task: to concoct a major document
thout an appropriate body of doctrine to draw on. At all events what
erged in the early 1970s was not a new constitution but a new Party
ctrine. Its essence is that the Soviet Union has reached the stage of a
eveloped socialist society', a newly discovered staging post somewhere
tween socialism and Communism. 'Developed socialism' is said to be
advance because it is built on its own, socialist base, not on the ruins
capitalism. It implies the increasing homogeneity of society and thus
encompasses the concept of the state of the whole people. It is also said
be gradually turning into a Communist society, but with none of the
gency that characterized the Party Programme.

This article does not attempt to discuss the intrinsic merits of the new
ctrine. Its relevance to the Constitution is that it gave Mr Brezhnev the
portunity to return to the subject after six years of silence in his speech
. 21 December 1972 celebrating the 50th anniversary of the formation
the USSR.[4] In contrast to 1966, he felt able to say that the Consti-

[4] There are two versions of the passage in this speech referring to the Consti-
ion. According to Moscow radio (SWB/SU/4178/C/16), Brezhnev said that the

tution would not only reflect achievements but also 'throw new light on the further development of our Soviet socialist society, which is moving towards Communism'. Thus the wheel had turned full circle, and the programmatic element which had been a feature of Khrushchev's concept of the Constitution was back again, but with the new leadership's stamp on it. In this speech Mr Brezhnev set another deadline—the 25th Party Congress, due in 1976.

The way for the eventual drafting of the new Constitution was also smoothed by the gradual emergence of a still unfinished series of legislative acts that, whatever their real importance, will have absorbed much of the skill and energy of the same legal experts who were drafting the Constitution.[5] These acts, to quote Mr Brezhnev, 'have become, as it were, the bricks out of which many of the articles of the new Constitution have been constructed.'[6]

The deadline of the 25th Party Congress was overrun, but the draft of the new Constitution eventually saw the light of day on 4 June 1977. Its scope and its prolixity alone could explain why even after most of its essential elements must have been agreed its appearance was continually delayed. Without a firm political decision to bring it out drafting could have gone on indefinitely. This decision will probably have been hastened by the following factors:

(*a*) the need to have some new and weighty document for the 60th anniversary of the revolution;

(*b*) Brezhnev's own commitment to the document. This was made clear 11 years ago, and since that time his commitment seems to have increased with his power;

(*c*) the growth of the world-wide human rights debate and the need that the Soviet leaders may have perceived to have their 'own' human rights document in the year of President Carter's accession and of the Belgrade conference to review progress since the signing of the Final Act of the Conference on Security and Co-operation in Europe;

(*d*) the fact that all the other East European countries have had at least two constitutions since the war.

Constitution would be submitted to a referendum, but this was omitted from the version in *Pravda*, 22 December 1972. The question of referenda seems to have been contentious. According to Article 5 of the new Constitution, the most important questions should be submitted to a referendum. But under Articles 108, 114 and 115 (which differ considerably in the final version from the draft), a referendum will only be used to break a deadlock between the two Chambers of the Supreme Soviet, an unlikely eventuality. The new Constitution itself was not submitted to a referendum.

[5] The acts include the principles of legislation on: land; water; mineral resources; the environment; forestry; marriage and the family; pensions; labour, corrective and ordinary; health; education; also a law on the status of deputies; model statutes on rural, district and urban Soviets; and *kolkhoz* statutes.

[6] *Pravda*, 5 June 1977.

The final text

What sort of a document is the new Constitution? It is longer than its predecessor, but is not a departure from it. On the contrary, the Preamble (an innovation) declares the aim of continuity and refers to the three previous Constitutions. More to the point, nearly all the provisions of the 1936 Constitution have found their way into the new one at some point or other. Secondly, again like its predecessor, it is called a 'Fundamental Law'. That is, it reflects existing legislation and provides the framework for new legislation, but is not itself designed for practical application in the courts.[7] Thirdly, as the review of its history has indicated, the Constitution carries much ideological ballast, including elements that would be more appropriate in a Party Programme. Mr Brezhnev's remarks on submitting the draft Constitution to the Central Committee at its Plenum of 24 May 1977 reproduced much of Khrushchev's ideological rationale of 15 years earlier.

A detailed examination of all the provisions of the text is beyond the scope of a single article, and the following paragraphs must be seen only as one observer's selection. Any survey must, however, begin with the position of the Communist Party in the Constitution, given the Party's total involvement in every aspect of Soviet life. The Party has been taken out of its obscurity at the end of Article 126 of the 1936 Constitution and given a substantive place towards the beginning of the text in Article 6. But this is only a presentational change. The way the Party acts on the rest of the system has been neither changed nor clarified.[8] The wording has been expanded to make it clearer than ever that the Party is both the organizational 'nucleus' of the system and its sole ideological authority. After Article 6 there is only one further mention of the Party—as the first in a list of organizations entitled to propose names of candidates as deputies to Soviets (Article 100). Thus the Party has been 'constitutionalized' only to a certain extent; there is, as before, no mechanism in the Constitution to constrain its power. It is interesting that the final version of the text went a little way towards closing this gap by adding a new sentence to the draft—'All Party organizations act within the framework of the Constitution.'[9] This statement of intent, like Mr Brezhnev's under-

[7] The Constitution is replete with references to other laws, but in no case are the laws in question specified. There must be a suspicion that their inclusion in the draft was occasionally based only on the supposition of their existence, since a number of references in the draft to guarantees 'by law' were omitted in the final version, e.g. in Articles 47, 49 and 58.

[8] There were suggestions during discussion of the draft that the Party's methods of working, e.g. through Party organizations in state and public institutions, should be spelt out. See *Pravda*, 2 August 1977.

[9] The final version contains many amendments to the draft (150 according to Brezhnev at the Supreme Soviet on 4 October). Some were evidently decided on in the light of the 'nationwide discussion' that took place between publication of the draft in June and its adoption in October, others represent the leadership's second thoughts and were not publicly explained. Most of the amendments are minor, but some, like this one, are revealing.

taking to the Central Committee Plenum on 24 May that the repressions which followed on the adoption of the 1936 Constitution would not be repeated, will depend for its implementation not on the mechanism of the Constitution, but on the will of the Party leaders.

The chapters on the system of Soviets have been considerably expanded to take account of the recent legislation referred to above. A more complex system of reporting back by government organs to Soviets and by deputies to their 'electors' and sponsors is now envisaged. If these provisions are conscientiously implemented, the Council of Ministers will be more tightly squeezed than before between the Party on one side and the Soviets on the other.

The economic provisions show that the limited private sector is expected to continue for the foreseeable future. The provisions on the management of the economy are broad enough to allow for swings either to or from centralism as political circumstances dictate. Additions have been made to the final version of the text to give local authorities a slightly greater say in the activities of centrally subordinated organizations in their locality (Articles 77 and 83).

The status of the Union Republics, which together form the USSR, was clearly one of the more contentious aspects of the draft. There seems to have been a body of opinion that called for the abandonment of the federal state altogether and its replacement by a unitary state.[10] There is plenty of doctrinal respectability in such a call, not least in its reflection of one of the tenets of 'developed socialism', the concept of the single 'Soviet people'. It would have been most uncharacteristic of the present Soviet leadership to have courted the risks involved in a major structural change, but the language of the new Constitution shows a clear bias towards the unitary concept. Along with the retention of almost all the formal attributes of the sovereignty of the Union Republics[11] there are a number of new provisions stressing the integral nature of the territory of the Soviet Union and the unified nature of the economic complex (e.g. Articles 16 and 75). The resulting amalgam is frequently ambiguous and sometimes contradictory.[12] In tacit recognition of this the final version of Article 70 has a phrase added to the draft to the effect that the USSR is formed 'on the basis of the principle of socialist federalism'. The apparently new formula, 'socialist federalism', joins others such as 'socialist legality' and 'socialist democracy' as a concept which is by definition out

[10] Brezhnev referred to it in his speech to the Supreme Soviet of 4 October 1977; for an isolated example see *Molodoi Kommunist*, No. 4, 1976.

[11] But excluding their vestigial right, under Article 18(b) of the 1936 Constitution, to have their own military formations.

[12] In an article in *New Society*, 21 July 1976, Professor S. E. Finer pointed out that the principle of democratic centralism, which is now written into the Constitution as applicable to state as well as party affairs (Article 3), could be used to deny the Republics their constitutional right of secession.

of bounds to 'bourgeois' critics and to which only the Soviet leadership of the day holds the key.

The longest chapter in the new Constitution is devoted to the rights and duties of citizens. It was hardly to be expected that the leadership would wish to broaden the rights of Soviet citizens in any way that they thought might endanger their own interests. Nor was it to be expected that the rights espoused in a Constitution whose declared aim was to further the building of Soviet-style Communism would accord with the ideals of people of other persuasions. The rights are purpose-built. They tend to be qualified by a phrase such as 'in the interests of the people . . . and the development of the socialist system' or 'in accordance with the aims of building Communism' (e.g. Articles 47, 50 and 51). Further, they are 'ensured' by provisions of the state which sometimes leave little room for private initiative (e.g. Article 46). Finally, a number of the rights are said to be protected 'by law'. But the law can be used to protect the state's interests as much as the citizen's.[13] On top of this, enjoyment of the rights is made contingent on the fulfilment of duties so broadly expressed as to be capable of any interpretation the authorities care put to on them.[14]

Finally, the chapter on foreign policy. This is an innovation, though one that figured in Khrushchev's plans. Its content is predictable. It refers to peaceful coexistence, though not to détente (a limited concept within the broader one of peaceful coexistence). It makes a distinction between Soviet policy towards the 'socialist' camp and towards the rest of the world, preserving the essence of the Brezhnev doctrine. Of greater topical interest, Article 29 lists, though with some distortions, the 10 Principles from the Helsinki Final Act,[15] which allowed President Brezhnev to claim on his visit to France in June 1977 that the Soviet Union was the first to inscribe them in its Constitution.[16]

[13] For instance, Article 56 provides for the secrecy of telephone conversations to be protected by law. But there is a Government Decree which states that 'The use of telephone links . . . for purposes contrary to state interests and public order is prohibited.' (Decree of the USSR Council of Ministers, 31 August 1972 in *Sobranie Postanovlenii Pravitelstva SSSR*, No. 19, 1972.)

[14] E.g. to 'bear with dignity the high calling of a citizen of the USSR' (Article 59); and to 'safeguard the interests of the Soviet state and further the strengthening of its might and authority' (Article 62).

[15] The titles of Principle I (Sovereign equality, respect for the rights inherent in sovereignty) and Principle VII (Respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief) have been truncated, while wording not drawn from the Final Act has been added to Principle X (Fulfilment in good faith of obligations under international law). In the draft an attempt was made by a punctuation device to run Principle VII together with Principle VI (Non-intervention in internal affairs) and Principle VIII (Equal rights and self-determination of peoples), thus reflecting the Soviet view of the interdependence of the three Principles. This was remarked on in a discussion of the Constitution (*Sovetskoe Gosudarstvo i Pravo*, No. 9, 1977) and was corrected in the final version.

[16] *Le Monde*, 22 June 1977.

Many points of interest to specialists emerge from a study of the new Constitution in draft and in its final form, and of the relatively lively 'nationwide discussion' that occupied the summer. As a whole, however, the Constitution neither reflects nor presages important changes in the way Soviet society functions. Its significance lies in its status as a body of Party doctrine, the first document of this kind to emerge from the Brezhnev era. Successive Soviet leaders have sought to associate themselves with a major development in the theory of Communism, and the present General Secretary has been no exception.[17] It is no coincidence that on 16 November 1977, shortly after the adoption of the 'Fundamental Law of developed socialism', Mr Brezhnev was presented with the Soviet Academy of Sciences' Karl Marx medal for his contribution to Marxist-Leninist theory.

[17] L. I. Brezhnev himself has now summarized the doctrine and its relationship to the Constitution, and has traced its rather faint line of descent from Lenin's thought, in an article in *Problems of Peace and Socialism*, No. 12, 1977 (reprinted in *Pravda*, 23 November 1977).

South African alternatives

ANTHONY DELIUS

Was the election a prelude to more apartheid or to a change of direction?

AT the end of last November two major political events in South Africa coincided ominously: the ruling National Party won the general elections with the biggest parliamentary majority ever known in the country's history, and an inquiry into the death in police custody of the country's most popular black leader ended with a finding that scandalized the Western world. The Prime Minister, Mr John Vorster, claimed that in the elections on 30 November the all-white electorate had overwhelmingly (by 134 seats to 31) confirmed his Government in office as a direct retort to world, and particularly American, pressures to make the Republic change its race policies. Representative voices commenting on this claim were impressed with the white solidarity shown but not with its ultimate importance, pointing out that the election results represented only the choice of the four million whites, while 20 million blacks and browns were without a vote—surely the biggest silent majority ever known in a nation claiming to be a modern parliamentary democracy.

Comment was much more hostile on the magistrate's finding (on 2 December) that nobody was to blame for the death of the Black Consciousness leader, Steve Biko. After sustaining brain injuries at a police interrogation, and being kept chained and naked under urine-soaked blankets in a cell for four days, he had been allowed by doctors at security police insistence to be driven, lying semi-conscious in the back of a Land-Rover, for 800 miles to Pretoria where he died shortly after arriving. These harrowing details were made available during the inquiry which took place in the last weeks of the election campaign with full newspaper coverage, but the only effect on the great majority of voters seems to have been to make them vote in greater numbers than ever for the Government, and for the Prime Minister and the Minister of Justice, Mr James Kruger, in particular. The London *Times*, reflecting opinion in most of the Western press and public, was moved to remark in a leading article

The author, a South African writer now resident in London, was parliamentary correspondent for the *Cape Times* from 1958 to 1964. He revisited South Africa in April–May 1977 to receive the Central News Agency's award for his novel *Border* (Cape Town: David Philip, 1976). This article, based on a recent talk given at Chatham House, includes his impressions of meetings with Steve Biko and Chief Buthelezi.

on 3 December that an even sadder tragedy than the death of the black leader was 'that the vast majority of white South Africans approved—in the name of national security—of what was done to Steve Biko, or cannot see what all the fuss has been about.'

The election campaign

However, it is by no means certain that the white South Africans approved of what was done to Steve Biko. Rather, they acted confusedly to protect themselves, their children, their possessions, their very survival as a group. They simply voted for the men who they believed would stand firmest in their interest—their Afrikaansness, their whiteness—at a time when they felt betrayal in the air. The Russians were practically on their borders, though there appeared to be a setback with the Somalis, and the Western powers were now backing the blacks because they wanted more African trade. The old United Party, for whom many had voted with increasing despondency through several elections, had finally collapsed in a welter of contradictions, leaving three small parties in its place. Two of these, the South Africa Party (SAP) and the New Republic Party (NRP), did not seem to offer anything the Nationalists could not do better; and the third, the Progressive Federal Party (PFP), appeared bent on a policy of appeasement towards the blacks which seemed both naive and risky when one considered the African record in government over the last 20 years. Moreover, Mr Vorster had called the elections two years earlier than they needed to be held, at a time when the new opposition parties were still feeling their way and constructing party machines rather than gearing them up for a general election—whereas the National Party organization is always in full running order. In the opposition camps there was thus a sense of hopelessness from the beginning, a certainty of defeat, nourished by the memory of seven previous Nationalist victories in a row since 1948. In the National Party camp, by contrast, there was an eagerness to give the already reeling opposition a bigger beating than ever and turn the growing trickle of English-speaking voters to their side into a torrent.

No African, Coloured or Indian South African took any part in the elections, and there was the customary affectation of indifference to what was said to be 'a white affair'. Yet it was an affair which would have considerable bearing on their own lives. It must have been clear to their leaders that Mr Vorster had called the election to demonstrate that the great non-white majority had nothing to gain from reliance on any white opposition group. The Government intended to confirm that after nearly a year and a half of sporadic disturbances in the black and Coloured townships and the deaths of over 800 mainly African but also some Coloured youths under police bullets, the whites were more solidly united than ever. What Mr Vorster had to offer the Asians and the

Coloured people in the way of a changed constitution, providing for three (white, Coloured and Indian) parliaments and one President, was as far as the Government would go towards softening white dominance. There was no other offer in the field that had any hope of realization for the foreseeable future.

All that was offered the Africans was full rights in their own ten Bantustans, including eventual independence there, and some moves to make life more tolerable and dignified in the townships—though not much prospect of lessening economic stringency in them or in the Bantustans as unemployment continued growing. In their attitudes to apartheid there were marked differences between the principal black opponents to the Government. Last spring, when the present writer was in South Africa, he had travelled from a meeting with Steve Biko at his headquarters, a disused church in King William's Town, to visit Chief Gatsha Buthelezi in his brand new capital of Ulundi in Kwa-Zulu, passing on the way through newly independent Transkei. As is known, Chief Buthelezi wants to destroy apartheid from within the protection of its own institutions, while Steve Biko wanted no truck with a policy that he felt was an insult to the black man's struggle for his identity and dignity, and intended to cripple his collective strength. Each spoke of the other with considerable sympathy and some head-shaking. Steve Biko said, 'I accept that our friend Gatsha is sincere and means to help us all, but how can he do that by linking himself with the apartheid system and appearing as a tribal representative?' And Chief Buthelezi remarked, 'Steve Biko is a fine man and we could co-operate, but he is too exposed. He does not seem to realize how deadly dangerous the people against us are.'

The election campaign was fought and won on the three trusted platform planks that have won every post-war election in South Africa for the Nationalists—the consolidation of the power of the Afrikaner majority among the whites, the protection of the general white economic and group interests from the 'liberalistic' enthusiasm of the West and the Communism of the East, and the exclusion of the Africans from any real share of political power. Previous to Mr Vorster's crushing victory in 1977, Dr Hendrik Verwoerd had won record-breaking triumphs in 1961 and 1966. In 1961 he scored by, first, instituting a republic, a measure of immense spiritual meaning to the Afrikaners, second, withdrawing from the Commonwealth, which though of less importance to the Afrikaner was a gesture of defiance of that body's New African and Asian majority demanding changes in South African race policy, and, third, taking active steps to begin the territorial separation of the blacks by creating Bantustans. The second of Dr Verwoerd's victories was even more substantial and made a real breakthrough to English voters, because by then it was quite clear that leaving the Commonwealth had not caused

a recession but a boom. Also, the election was fought against a background of growing chaos in Africa, the spectacular collapse of civilian governments in Commonwealth African countries such as Nigeria and Ghana, and the unilateral declaration of independence by the whites in Rhodesia. The international background of the 1977 elections increased all previous alarms, with the Russians and Cubans apparently moving permanently into Angola and Mozambique, the guerrilla war growing around and in Rhodesia, and the Americans and British strangely sympathetic to the guerrillas and putting a heavy squeeze on South Africa. Thus the whites clustered around the tough men and hard core of Afrikanerdom, and hurled defiance at the West over the heads of mutinous Africans. But in the process they incidentally accepted an experimental change of constitution for sharing at least some power with Indians and Coloured people.

Modified apartheid

Indeed, in the elections an alternative form of apartheid was offered to South Africa, even if rather sotto voce. Of course, apartheid has always had many levels, from the higher flights of the Afrikaners' historic 'mission' to preserve 'white Christian civilization' and other ethnic cultures, to the lower levels of 'petty' apartheid in places like public conveniences, post offices, cemeteries etc. The greatest intellectual refiner of apartheid was the late Prime Minister, Dr Verwoerd. He himself did emphasize the 'ideal' side of the policy, but he was also acutely aware of its more economic side—involving the blacks in a state of constant movement, drawn out to the homelands by ancestral yearnings, and then driven back to White South Africa by the need to earn a living as 'temporary sojourners'. Dr Verwoerd turned down the Tomlinson Commission's suggestion of white investment in the homelands in order to develop them faster, remarking in Parliament, 'That would be neo-colonialism'! As he studied the developments in the former British Protectorates and the inevitability of their economic dependence on South Africa, he seems to have concluded that independence was an intriguing possibility for the homelands, too. Perhaps he was fascinated by the prospect of a moderately well-off Transkei on one side of the Drakensberg and a permanently bankrupt Lesotho on the other—as the rival results of the South African and British systems.

When Dr Verwoerd was murdered by a demented parliamentary messenger, power in South Africa passed from an aloof, race-obsessed social engineer to an astute but more companionable practical politician. Mr Vorster is, of course, a hard-headed and ruthless person, determined that real political power in South Africa should never pass out of the hands of the Afrikaner majority if he could help it, but there was a chance that he might make a better cosmetic job of it. The big outlines of

ɔartheid as Dr Verwoerd had drawn them were going to be maintained, ut it would be 'apartheid with a human face'. In the first place, there ras far more consultation and far less imposing than under Dr Verwoerd –Mr Vorster has met more black leaders more often in the 11 years of is ministry than did all the South African prime ministers put together 1 the previous half-century. His Sports Minister has departed from the igid sports apartheid insisted upon by Dr Verwoerd to such an extent hat the country seems on the brink of a period when it may have freely nixed sport. White entrepreneurship is allowed into the Bantustans. Some cautious moves are being made to lessen apartheid in some parks, he more expensive hotels and so on. Some experiments in racially mixed ducation were temporarily allowed or tolerated in some private schools. t is now accepted that Bantustan leaders like Chief Buthelezi, Chief Cedric Phatudi and Professor Ntsanwisi can make statements about the South African racial system nearly as tough as anything said about it in he old days by the African National Council. The political development f the Bantustans has been hurried forward; the Transkei has already ecome independent, and so has Bophutatswana, in spite of the fact that ome of its territory lies over deposits of some of the rarest metals in the vorld, including platinum. Some property rights are being conceded in he black townships. After strikes black wages were increased at a greater ate than ever before.

Nevertheless, many of the ablest black and white labour organizers are ıow banned, detained or gaoled; since the Soweto riots began, more ılack people have been shot by the police than, at a guess, in all previous listurbances in South Africa put together. More than two score deaths n detention of political prisoners have all occurred while Mr Vorster has ɪeen in office either as Minister of Justice or Prime Minister, so that partheid with a human face now has a pretty ugly look. Meanwhile, the partheid policy has been moving steadily towards its goal—to make the ılacks disappear from South Africa as a political problem at the stroke of pen. With the independence of the Transkei about four million Xhosa have been theorized out of white South Africa as possible voting itizens. Now two million Tswana have followed, politically wafted back nto Bophutatswana, and another half-million into Vendaland. To date, even million black South African citizens have been turned into foreigners'. Most, however, will remain in South Africa proper.

But Mr Vorster, practical political magician that he is, may not be onvinced that the South African Government can sustain this daring ɪolitical illusion, and cause all South African blacks to disappear politi-ally. At any rate it seems that his more 'enlightened' advisers, the *erligtes*, have urged him to have at least a fall-back position. They have eized on the ideas of Mr Theo Gerdener, a former Nationalist Minister, ıow spiritual leader of the 10 members of the New Republic Party, the

official heir to the defunct United Party, suggesting an alliance between the minority groups, the Whites, the Coloured community and the Asians. Mr Vorster now proposes to hold the situation with an executive presidency, three prime ministers and three parliaments—one each for the three minority groups. There will be a multiracial Cabinet Council, with ministerial representation according to numbers of population—which will neatly ensure that a white Afrikaner will always be the executive President, since the whites outnumber the other two minority groups together. The new constitutional arrangements could even lead to implementation of the proposals of the Government-appointed and racially mixed Erika Theron Commission, which demands among other things that the Coloured people—the so-called 'brown Afrikaners'—can marry across the colour line, become members of parliament, and have equal pay for equal work. (Incidentally, if the White Afrikaners can be brought to absorb the Brown Afrikaners, together they will form the strongest language group in Southern Africa—bigger than either the Xhosa or the Zulus. Consideration of such ideas may have been hastened by sympathy shown by Coloured youths for black demonstrators in 1976.)

Theoretical backing for the proposed new alliance of White-Coloured-Indian interests and the form of Government that will reflect it is provided by one of the most distinguished *verligte* intellectuals, Professor Nic Rhoodie, Director of the Institute of Plural Communities at the University of Pretoria. He summarized his views on 1 September 1977 in the *Daily Telegraph* under the heading 'Instead of crude apartheid'. Among his suggestions was one to consider also 'another dimension of human rights', which is 'concerned with the survival and preservation of the cultural identities, life styles, and basic social institutions of historically established groups'. But neither Mr Vorster nor Dr Rhoodie has said anything very specific about what is going to happen to the 18 million black Africans under the new dispensation. One is left to infer that somehow those that cannot be made to disappear into outer space politically might one day find themselves in a world of slowly increasing human rights and reluctantly decreasing colour discrimination. The Coloured leaders' demands that at least the eight million urban Africans should also be represented in the Cabinet Council are unlikely to be granted as this would upset the nice calculations for preserving the dominance of white presidents. Argument about the permanence and representation of the urban blacks will continue, and neither the Coloured Labour Party nor the Indian Council has accepted the new proposals in their present form yet.

African voices

Those exiled groups that claim to represent the great bulk of Africans in the country—the banned African National Congress (ANC) and the

anned Pan-African Congress (PAC)—have given up their faith in any egotiations with the Government. They say that a non-racial society nust be set up in South Africa, and that the only way to get it is to fight or it, however long it takes. They want no truck with new interpretations f human rights, and they would probably insist on a one-party state ntil the new non-racial South Africa is firmly established under najority rule. The ANC leaders at present in gaol—Nelson Mandela, Walter Sisulu and Govan Mbeki—are said to have refused any release rom their present life sentences except on condition of a non-racial South Africa.

The Black Consciousness Movement, which emerged with Stephen Biko and his friends in the South African Students Organization about a lecade ago, is also devoted to achieving majority rule—but rather through he growth of black self-respect and self-reliance than through violence. It is unthinkable for Biko's followers that any kind of racial self-respect r real black identity and community can be achieved inside a number of white-created tribal pens called Bantustans: the whole South African lack community must come together and realize their value and dignity s black men and women; they would then negotiate with the whites rom the immense strength that process would finally give them. Though ounded, spied on, dragged through the courts and detention centres, Steve Biko managed from his abandoned church to direct a growing web of black institutions, such as community self-help groups, students rganizations, a Black Alliance Workers' Union, a Black Peoples' Convention etc. There was not the least touch of hysteria or fanaticism about im, only a steady confidence in the future of his movement, whether he emained alive to head it or not. His criticism of leaders of rival black novements was delivered gently: the ANC had gone wrong in relying n powers outside Africa; Chief Buthelezi was profoundly mistaken if e thought he could achieve anything by using apartheid institutions. The present writer mentioned several criticisms of Biko's own movement: its vagueness and even its woolliness, which gave no clear lead bout militant action; the ambiguity of what was meant by acting within he law even though stretching its boundaries to their furthest extent; bove all, the resentment of the remaining active trade union organizers who put the emphasis on a practical struggle for better organization, ay and working conditions rather than on overall political problems ike Biko's Black Alliance Workers' Union. To this last Biko replied, 'In South Africa black workers are commonly exploited because they are lack—and we have to get rid of the racial exploitation first.' Black unity, lack self-reliance first, and all would follow. At the inquiry into his leath, the Biko family counsel, Mr Kentridge, said that security police llegations that Biko was organizing urban guerrillas were a 'smear'—nd one can only agree with him.

It would be difficult to find two more different characters than Chief Buthelezi and Stephen Biko. Where the Black Consciousness leader showed quiet inner control, the Zulu leader gives an immediate impression of gaiety, of out-goingness, of an almost mercurial spirit. It seems almost impossible that one so lithe, so light can assert the authority he obviously does over the beefy and solemn chiefs who sit round him in the Zulu Assembly. His authority is great, even feared by his peers, whom he is taking through a crash course in democratic constitutional procedure. But watching him in action in the big hangar-like Kwa-Zulu National Assembly beside the new capital which has mushroomed on the historic Ulundi battlefield, one is left in little doubt that his authority rests on his own strength of personality and his religious puritanism (he is in fact a Catholic), as much as on his position in the Zulu hierarchy. He has had to fight several deadly struggles for his political life, sometimes with the Special Branch and the rather feckless young Zulu king backing rival factions or ambitious men to bring about his downfall. He has won all his battles so far, with adroitness, finesse and tact. The force of his criticisms of apartheid, from a protected position created by the apartheid policy, makes one wonder how much longer the Government can bring itself to tolerate so much forthright lambasting. Yet, though he lives dangerously, he survives and grows stronger among the protective ranks of his four million fellow Zulus. He also claims to be gathering recruits from among other tribes and urban blacks for his *Inkatha YeNkululeko yeSizwe*—i.e. National Cultural Liberation Movement. His Public Relations Officer says that this movement has already signed up more support than there was for the ANC or PAC before they were banned.

The younger urban blacks, the intellectuals, the University students—especially the young militants of Soweto—distrust Chief Buthelezi because of his connexion with the Zulu Bantustan. They call him a sell-out and suspect that his Inkatha movement is intended to build up the Zulus once more as the black overlords and as a base for his own ambitions as a national leader. Although Chief Buthelezi is deeply disappointed at this, he feels that he is steadily gaining ground for his ideas nationally. He has learned from Stephen Biko and the Black Consciousness movement and is concentrating more than ever on his fellow-blacks, steadily backing away from the adulation which he has so long enjoyed in the liberal white press and among the more liberal white politicians. Eventually he wants to bring as many of the other Bantustans together in a black federation, and then argue from strength for overall majority rule at a national convention held together with the whites. The result, he hopes, will be a general South African Federation, with a majority of black-dominated states, but also some others with white, Coloured or Indian majorities. His aims are now echoed by the Progressive Federal Party, which has

become the main white opposition, and also has as its ultimate goal one day to bring about a multiracial National Convention.

The federal concept

The idea of some sort of federation has been around in South Africa for well over a century, and the country's road into the future might have seemed smoother today if nineteenth-century federal efforts had succeeded. Within a few years of the Nationalist victory in 1948, a sort of unofficial 'think tank' of anti-apartheid whites began propagating the idea of 'big partition' down the line of the Drakensberg mountains. This scheme, which was very neat on paper, proposed an overwhelmingly black state running along the Indian Ocean which would contain the two major tribal groups, the Zulus in Natal and the Xhosa in the Transkei and Ciskei, with some one million others made up largely and in almost equal numbers of English speakers and Indians. The idea of getting rid of so many Indians and Englishmen in one fell swoop might have been meant to appear especially attractive to the ruling Nationalist Party. The larger and drier country on the western side of South Africa, which incidentally contains most of South Africa's vast supply of known mineral resources, would be reserved for the bulk of the whites, the Coloured people and some Asians. These three minority groups together would be large enough nearly to balance the remaining black majority—which would be split up into half a dozen major tribes. The west and the east might be linked in a loose federation. Later the idea of mixed racial majorities and minorities in a variety of areas gained some ground in discussions of the so-called 'multistans'.

The United Party also espoused the idea of a federal set-up as the final plan in its quarter of a century of searching for a colour policy which would either rival or prove complementary to apartheid. It used the federal concept as a thinly disguised means of accepting Bantustans into the unified South Africa the party had always stood for. But now that the United Party has collapsed into three fragments, federal ideas make more sense in the clearer policies of the new official opposition, the Progressive Federal Party.

The official white opposition

The Progressives who in a dogged 20 years have fought their way up from a parliamentary representation of one to a dozen, and now 17 seats, are at present starting their longest and hardest battle. They have always stood for a non-racial South Africa free of all discrimination and with an equal vote based on an educational qualification. Now they have produced their own federal policy into which present homelands, provinces and other areas of common racial or economic interest could be incorporated. But the final shape of things to come would have to be decided

at a National Convention involving all the country's race groups. In fact, the outlines of the party's policy for a common fatherland of equal men have recently been discussed again at a meeting with the homeland Governments of Kwa-Zulu, Gazankulu, Lebowa and Qwaqwa, as well as with the Coloured Majority Party, the Labour Party and the South African Indian Council.

Now that South Africa has held what could turn out to be its watershed elections—with two major constitutional changes offered, neither of which is at all clear in its ultimate dispositions—main interest will focus on the performance of the white opposition, above all the Progressive Federal Party. The PFP certainly includes a hard core of men and women, both English-speaking and Afrikaans, who have a wide knowledge of the social ideas and economic machinery of the modern world, practical experience of post-independence Africa and its rulers and also contacts with the Coloured and African leaders inside South Africa. They have both great determination and few illusions about gaining any swift victories. They have no natural following among the white working classes who tend to regard them as the party of the well-to-do city suburbs; the black masses suspect them on the same basis; and the black intellectuals distrust them because of their links with black leaders working within the apartheid system. Also, constitutional changes will reduce the status of the white opposition—it will be only one among three oppositions in a Presidential system in which parliament will count for less than in the present Westminster system, now presumably in its last days in South Africa. Even if the Progressives are backed by the main English-language press, the future of that press itself may now be in greater jeopardy than ever.

But the Progressive Federal Party has the consolation of knowing that it is undoubtedly a better balanced and more coherent body of English- and Africaans-speaking members than there has been since independence in 1910. While many politically more short-sighted English South Africans (and the Jewish South Africans) have crossed over to the Nationalists, there has been some compensating gain by the Progressives of some of the more thoughtful Afrikaners, and a growing sympathy for the Party's policies among the *verligte* wing of the Government's supporters. And finally, the Progressives stand for a cautious human unity among all South Africa's various peoples, a policy whose attractions may grow steadily as the policies of the Government lead increasingly to a disturbed and divided future.

Cyprus after Makarios: prospects for a settlement

NANCY CRAWSHAW

THE sudden death of Archbishop Makarios last August left Cyprus without an authoritative leader at a critical time. On 31 August the acting President, Mr Spyros Kyprianou, was elected President to serve for the remainder of the Archbishop's five-year term. The arrangement, made possible by the agreement of the political parties, avoided immediate controversy. But the real struggle for power has still to come and should reach its climax during the presidential elections in February 1978. The impact of the Archbishop's death on the course of future negotiations for a settlement still cannot be fully assessed.

The Carter initiative

A year ago the outlook was encouraging. President Carter had announced a new American initiative and appointed the distinguished lawyer and former Secretary of State, Mr Clark Clifford, to look into the Cyprus question. The Turkish Cypriot leader, Mr Rauf Denktash, had made his dramatic offer to meet President Makarios and, for the first time in fourteen years, the two leaders met on 27 January 1977. At a further meeting on 12 February, this time in the presence of Dr Kurt Waldheim, the UN Secretary-General, they agreed on the holding of a new round of talks in Vienna and on the guidelines to be observed by the Cypriot negotiators. The guidelines provided for a settlement based on an independent bicommunal federal republic. Subjects open to discussion included property rights, freedom of movement and settlement. The Central Federal Government's powers and functions, it was stated, would be such 'as to safeguard the unity of the country having regard to the bicommunal character of the state'.[1]

On 31 March the sixth round of Vienna talks opened in the presence of Dr Waldheim and the UN Special Representative in Cyprus, Mr Pérez de Cuéllar. The Greek Cypriot negotiator, Mr Tassos Papadopoulos, produced a map indicating the area, about 20 per cent of the island, to be retained by the Turks in a bizonal federal republic. The Turkish Cypriot negotiator presented proposals which he described as

[1] UN Doc. S/12323.

Mrs Crawshaw, a writer on Greek and Cypriot affairs, is a regular visitor to Cyprus; author of *The Cyprus Revolt: an Account of the Struggle for Union with Greece*, to be published this spring by Allen and Unwin.

'federation by evolution'. Both representatives said their positions were negotiable but both were negative in their comments on each other's proposals. The talks ended on 7 April and Dr Waldheim made it clear that they would not be resumed until substantive progress had been made at local level. And this remains the UN stand up to the present time.

Despite the deadlock in Vienna, diplomatic observers considered that the Greek Cypriot side had made a significant advance by indicating for the first time in public that not all the refugees would be able to return home and that the areas certain to stay under Turkish administration included Kyrenia. This retraction of earlier promises was a courageous step on the part of President Makarios in the direction of reality and compromise. It remains to be seen whether any successor can command sufficient backing to carry on where he left off. No one can say for sure what he really intended, and this has already become a matter of contentious interpretation by the rival politicians.

Although new problems have been created by the death of President Makarios, the main reason for the lack of progress since the Vienna talks last April has been the failure of the Turks to produce counter-proposals. Turkish initiative was blocked for three months during the summer pending the outcome of Turkey's parliamentary elections.[2] Since then the Turkish leaders have maintained that the hostile tactics of the Greek Cypriots are not conducive to the resumption of intercommunal talks.

Conflicting objectives

The apparent ease with which Makarios and Denktash agreed on general principles early last year was misleading. The extent of the gap between the two communities only became evident once attempts were made to convert them into precise formulas. The two issues crucial to a settlement are the size of the area to remain under Turkish control and the nature of the Constitution. In the eyes of the ordinary people, the question of compensation is also of major importance. But this is seldom mentioned by the Greek Cypriot politicians who argue that any discussion of compensation at this stage prejudges the issue.

The first priority for the Turkish Cypriots is security; linked to this is Turkey's strategic interest in the north of the island. The needs of security have been met by the exchange of populations which has taken place since the Turkish invasion in 1974.[3] More dependent on agriculture than the Greek Cypriots, who also excel in trade and commerce, the Turkish Cypriots claim that they must retain sufficient land to ensure economic viability. So far they have refused to recognize that some of

[2] See William Hale, 'Turkey's inconclusive election', *The World Today*, July 1977.

[3] For background, see Nancy Crawshaw, 'Cyprus: problems of recovery', *The World Today*, February 1976; also W. M. Hale and J. D. Norton, 'Turkey and the Cyprus crisis', *ibid.*, September 1974.

heir present problems arise from the fact that the area they control is too arge in relation to the available manpower, skills and financial resources. The Turkish Cypriots want time to narrow the huge economic gap which ias come about between the communities since 1963. They are afraid of becoming the poor relations in a Greek Cypriot-dominated economy and of being deprived of their fair share of development funds controlled by the central Government. The vague concept of 'federation by evolution' and their insistence on separate economic development is prompted by listrust of the Greek Cypriots in the light of past experience. This distrust is sharpened by the economic pressure which the Greek Cypriots are able to exert against them both locally and internationally.

The Turkish Cypriot Constitution adopted by national referendum in 1975 has been described by the President of the Turkish Cypriot Legislative Assembly, Osman Orek, as a transitional constitution which eaves the door wide open to a negotiated settlement.[4] In November 1976 the Assembly unanimously adopted a resolution declaring its support for a biregional federal republic and for the policy of non-alignment. The same resolution said that the territory of Cyprus should not be annexed to any state and that foreign bases should be dismantled. The Turkish Cypriots have repeatedly urged the Greek Cypriots to co-operate in an nterim joint government to deal with matters which are not in dispute. This, they believe, would stop the two sides drifting even further apart and would be helpful in overcoming local problems of common interest.

For the Greek Cypriots the question of territory is vital. Since the Turks tend to regard every Greek Cypriot male as a potential, if not an actual, terrorist, it is almost certain that they will not be allowed to return n significant numbers to the north. The past year has, on the contrary, seen a steady exodus to the south of the Greek Cypriots who remained in he occupied zone after the Turkish invasion in 1974. Until the Turks make counter-proposals on the territorial issue, no progress in the intercommunal talks can be expected.

The Greek Cypriots want from the outset of any settlement a strong federal government and economic reunification. They distrust the concept of 'federation by evolution'. A distinguished Greek Cypriot lawyer believed that such an arrangement, calling for regular revisions of the Constitution, could lead only to a new Cyprus dispute every few years. They also reject suggestions for an interim government. This, they contend, would prejudge the final settlement, weaken their bargaining power by making life easier for the Turks, and undermine the present egal position of the Greek side which is internationally recognized as the Government of Cyprus.

[4] See *Whither Turkish Federated State of Cyprus!*, Secretariat of the Legislative Assembly of the Turkish Federated State of Cyprus, Nicosia, 12 January 1977, p. 3.

Growing frustration

Although Turkey holds the key to a settlement, more could be done at local level to create conditions favourable to negotiations. Both sides need to make an effort to see the viewpoint of the other. The Greek Cypriots persistently dismiss the root cause of the present disaster—namely their treatment of the Turks in the past and the folly of their own political extremists. Turkish Cypriots refuse to face up to the fact that there can be no lasting peace without concessions on their side; that in the long term the permanent displacement by force of nearly 200,000 Greek Cypriots from their property can lead only to serious trouble if nothing is done to redress the balance. Rather than accept an unjust solution, the Greek Cypriots prefer to continue their present tactics of economic warfare and keeping the Cyprus problem alive in the international forum. The absence of all normal contact between the communities and the relentless war of recriminations have the effect of driving them into a state of increasing alienation. Mutual distrust paralyses constructive action.

As in a shooting war it is not always clear who opened the first round. The détente, which followed the Carter initiative and the meeting between Makarios and Denktash, broke down last May when the Greeks arrested, tried and imprisoned a Danish sea captain for entering Cyprus illegally. Captain Sorensen had picked up a cargo from the Turkish-controlled port of Famagusta and then sailed to Limassol to pick up a Greek Cypriot cargo. The Turks retaliated with the provocative threat to settle Turkish Cypriots in the modern quarter (Varosha) of Famagusta which came under their control during the invasion but which was left uninhabited. It has always been understood that in any eventual settlement Varosha, which contains the island's most important tourist complex, would revert to the Greeks. The Security Council met in emergency session at the request of the Cypriot Government on 31 August.[5] This recalled the Council's previous resolutions, especially 365 (1974) and 367 (1975), called upon all the parties to refrain from unilateral action which might adversely affect a just and peaceful solution and expressed concern at the lack of progress in the intercommunal talks.[6] The delay of more than two weeks in reaching this decision strengthened the Turkish argument that the Greek Cypriots' recourse to the Security Council was unnecessary and the matter clearly of no urgency.

The frustration felt by the Greek Cypriots in the face of Turkey's overwhelming military superiority and the ineffectuality of the great powers is understandable. It is not surprising that they should resort to the only

[5] UN docs. S/PV 2026–27, 31 August 1977; S/PV 2028, 1 September 1977; S/PV 2029, 2 September 1977; S/PV 2030, 9 September 1977; S/PV 2031–32, 15 September 1977.

[6] Security Council Resolution S/12394.

weapon they have. Nevertheless, the policy of trying to reduce the Turkish Cypriots to destitution by economic sanctions is short-sighted, for in the process the wealth of the island as a whole, including that of the Greeks, is diminished and the Turkish Cypriots are forced into ever-increasing dependence on Turkey. Furthermore, formal partition, which the Greek Cypriots want to avoid above all else, is steadily brought closer.

Turkish separatism

The longer a settlement is delayed the more entrenched the Turkish Cypriots become in their separatism. The migration of all the Turks in the south to the north has finalized the process of physical separation, which began after the first Greek attacks on their communities in 1963. Today the north, formerly one of the most prosperous areas in Cyprus, has the characteristics of an under-developed country. Productivity is low and there is need for intensive capital investment and sound economic planning. The shortage of foreign currency is also a serious problem.

Owing to the breakdown of the Constitution in 1963, the Turks have considerably less experience than the Greek Cypriots in self-government. During the thirteen years when they led restricted lives in enclaves under siege conditions the most important decisions were taken by officers from the mainland. They were thus ill-prepared for the wider responsibilities of statehood thrust upon them after 1974. Difficulties have been increased by efforts to introduce the excessively bureaucratic type of administration existing in Turkey. Unlike the Greek Cypriots, who valued the civil service bequeathed by the British, the Turkish leadership has, for political reasons, passed over some of its most able officials.

The Turkish Cypriots have to contend with the major obstacle of non-recognition. Their absolute dependence on Turkey has paradoxically been encouraged by the bureaucratic adherence of the Western powers to protocol. Although direct trading has increased, the Turkish Cypriots have to import goods largely through intermediaries. The lack of trade between north and south means that produce normally available in the island has to be bought at great expense from abroad; the cost of living is twice as high as in the south. The Turkish Cypriots are denied the substantial foreign currency earnings which would normally result from tourism. With two exceptions, all the hotels belong to displaced Greeks. None of the international airlines or leading travel agencies is willing to operate in the Turkish-controlled area. Tourism is thus restricted to visitors from Turkey. In the view of a Turkish Cypriot economist, their contribution to the economy is negligible since they spend Turkish lira, a weak currency, largely on consumer goods which have to be imported with hard currency.

Adverse living conditions were patiently accepted during the first two

years after the invasion as the price of security. But of late the Turkish Cypriots have become outspoken in their criticism of Denktash's administration. Some of the displaced southerners have been resettled more than once, and in unsuitable places. Land has been allocated to farmers and then redistributed before the harvest. Turkish Cypriots complain increasingly about the behaviour of the rough settlers from the mainland. Although conditions are slowly improving, no substantial progress in closing the gap in living standards between the communities can be expected so long as the political stalemate persists.

Greek Cypriot recovery

The Greek Cypriots are in a much stronger position than the Turks to weather the economic hazards of an indefinite stalemate. The economy has been set on a basis for survival, care being taken to avoid duplication and wastage should the island be reunited at some future date. New overseas markets for Cyprus products have been found to offset the decline in local demand. Total exports in 1976 have almost doubled in value the figures for 1973, the year before the invasion, despite the loss of vast assets in the occupied area. Greek Cypriot economic experts hasten to point out that some of these results were due to disasters elsewhere—the Lebanese crisis and the European drought. Nevertheless, there are indications that the Greek side is moving towards a new era of prosperity.

The Greek Cypriots' flair for organization and private enterprise, their business acumen and capacity for hard work, and above all the determination of the ordinary people in the face of disaster have combined to bring about this remarkable recovery.

Out of the 200,000 Greek Cypriots who left the north during and after the Turkish invasion about 14,000[7] remain in camps. Unemployment by May 1977 was reduced from the peak figure of 51,000 at the end of 1974 to 8,000. Many refugees have started new jobs with government aid and taken advantage of special training facilities for new careers. Abandoned Turkish properties are leased under government control to displaced Greek Cypriots from the north. The problem of cultivating the Turkish vineyards in the Paphos district, where Greek Cypriots refused to settle because the villages were remote and lacking amenities, have been overcome by the employment of private contractors who transport the workers daily. The department concerned with rehabilitation is staffed by civil servants who are themselves refugees. These officials have gained an international reputation for expertise in the problems of mass resettlement.

In the political field, the Greek Cypriots have all the advantages. Their Government, because it is officially recognized, has direct access to the

[7] The figure fluctuates with new arrivals from the north and with the availability of housing.

international organizations. As the larger and better organized community they can more easily spare competent officials from home affairs to promote their case abroad.

Dangers of stalemate

Nevertheless, the exercise of keeping Cyprus in the international limelight may well prove self-limiting. Editors are notoriously uninterested in problems that go on for too long and a recent seminar held in Nicosia mainly for foreign journalists produced sparse coverage outside Cyprus. The Greek Cypriots have received two setbacks in the international field since the summer. Last September the Security Council failed to adopt a resolution condemning Turkey. In October the Council of Europe decided to shelve by nine months the Human Rights Committee's report dealing with the Cyrpus Government's atrocity charges against Turkey. The Greek Cypriots were, however, encouraged by the outcome of the debate in the General Assembly on 9 November. Thanks to the support of the Communist bloc and the non-aligned states, the Assembly adopted a resolution[8] by an overwhelming majority which was favourable to the Greek viewpoint.

The world at large may lose interest in the Greek problem but two groups with widely diffeiing motivation—the Soviet bloc and the Greek Americans—can be counted on to keep it alive. A well organized pressure group of three million dedicated Hellenists, the Greek Americans, have forced upon Congress a stop-go policy over US economic and military aid to Turkey. In Ankara, the Demirel coalition depends on the support of the two extreme right-wing parties led by Mr Erbakan and Mr Turkes, both hardliners on the Cyprus question. And the embargo, which weakens Nato's eastern flank, has so far failed to elicit concessions from Turkey despite the seriousness of its economic crisis and need of American aid.

Despite the spectacular success of their economic recovery, a permanent stalemate has its dangers for the Greek Cypriots. The Turkish Cypriots cannot remain for ever in the limbo of non-recognition. In the absence of a settlement, the narrow choice for them is either unilateral independence or complete absorption of the north by Turkey. Displaced Greek Cypriots form more than a third of the population in the south. Their disillusionment could become a formidable source of political unrest. Cypriots have a tradition of land ownership going back centuries. The allocation of houses and agricultural land by the Government on a temporary basis was accepted as a necessary expedient in the emergency. But after three years some of the refugees are growing restive and complain of mounting strain due to uncertainty about the future.

Interest is at present concentrated on the presidential elections in

[8] GA resolution A/32/L.16.

February. Spyros Kyprianou and Glavkos Klerides have al declared their intention to contest the election.* Of the possible candi so far named none except Klerides, the acting President durin absence of Makarios after the 1974 coup, is likely to inspire confide the Turks. Klerides, the victim of a political smear campaign, has made the scapegoat for concessions to the Turkish Cypriots when h negotiator during previous intercommunal talks. His party, the D cratic Rally, gained 30 per cent of the votes in the parliamentary ele of September 1976 and in a recent by-election increased its streng 9 per cent. But owing to the electoral system it still has no deput Parliament. The Democratic Rally and the Communist AKEL a two strongest single parties in Cyprus. But if the centre-right Demo Party, formerly headed by Spyros Kyprianou, co-operates wit leftists as it did in the parliamentary elections, Klerides has no cha success. The socialist EDEK, led by Dr Lyssarides, and AKE opposed to a 'Nato type' solution. In their view, the Carter initi although channelled through the United Nations, comes withir category.

Future negotiations are bound to be influenced by the outcome elections. International pressure is shortly expected to be directed again towards the revival of local talks as the first step in a long strug reach a final settlement.

* This article went to press before it was reported from Nicosia on 15 D ber that President Kyprianou's son had been kidnapped by supporters of E B. Mr Klerides has since said that owing to this event he will not conte presidential election.

Corrigendum: The World Today, December 1977, p. 444, line 13, UN Special Assembly' read 'a special session of the UN Se Council'.

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Notes of the month

TENSIONS IN THE EASTERN MEDITERRANEAN

THE inherent political instability of certain countries of the Levant continues to pose a threat to peace in the Eastern Mediterranean. In one part of the region the triangular dispute involving Greece, Turkey and Cyprus has not made much progress towards a solution of the problems outstanding between the countries concerned. In another part, the precarious peace in the border zone of southern Lebanon, where Palestinian and Maronite militias confront one another under the tense gaze of the Israelis, could evaporate in the wake of the split in Arab ranks following the Sadat–Begin peace initiative.

In a sense, the dispute involving Greece, Turkey and Cyprus has its origins in the long struggle between the Ottoman Empire and its Hellenistic dependencies. Cyprus was seen by both Greece and Greek-speaking Cypriots as an isolated outpost of Hellenism after the exodus of Greeks from western Anatolia in 1922. The natural desire of the Greek Cypriots for closer links with the motherland found expression through the movement for Enosis or union with Greece. Turkey for its part could not countenance the idea of full Greek control of the strategically situated island and so began to insist on a say in its future by virtue of the existence on it of a small community of Turkish-speaking Cypriots. The Turkish invasion of the island in 1974 was the culmination of repeated attempts by Turkey, since Cypriot independence in 1960, to protect the rights of the Turkish Cypriot minority which, in the years following independence, was constantly threatened by the more powerful Greek Cypriot community.[1] The situation on the island has hardened into a de facto partition with the 18 per cent Turkish Cypriot minority now occupying with the help of the Turkish army and Turkish immigrants almost 40 per cent of the island's territory. More than 12,000 Greek Cypriot refugees are spending their fourth winter in makeshift camps. The fate of upwards of 2,000 Greek Cypriots and 1,000 Turkish Cypriots who disappeared after the fighting in 1974 remains unknown and a start has been made on moving Turkish Cypriots into the outskirts of the once Greek township of Varosha—long considered likely to have been handed back to the Greek side in any future negotiations. Frustrations therefore are continuing to build up. The kidnapping of President Kyprianou's son last

[1] See W. M. Hale and J. D. Norton, 'Turkey and the Cyprus crisis', *The World Today*, September 1974.

December was a desperate act carried out by the right-wing extremists of Eoka B and though its only obvious result was the withdrawal from the presidential election campaign of Mr Clerides (ironically the only candidate to whom the extreme Right felt it could lend its support), the action illustrates only too clearly the underlying currents of violence still at work in the mainstream of Cypriot political life. However, Dr Kurt Waldheim's most recent effort to bring the two sides together offers some hope of progress.

Turkey itself has been beset with unstable government since the indecisive elections of June 1977.[3] In the absence of an overall majority, Mr Ecevit, whose Republican People's Party obtained the greatest number of seats, was unable to form a viable government and so the weak coalition led by Mr Demirel, which had governed the country during the two years prior to the election, continued in power. Towards the end of December 1977 it was defeated in a vote of confidence and it remains to be seen whether Mr Ecevit can now form an effective government and exercise sufficient leadership to move the country away from the unsettled conditions of late or whether it will be the turn of the armed forces to provide once again a 'corrective movement' to Turkey's future course.

A grave economic crisis necessitating large IMF credits coupled with 20 per cent unemployment and an inflation rate of nearly 40 per cent continues to threaten the country's social fabric. Political violence has resulted in an estimated 250 deaths in 1977 and has, on occasion, turned electioneering into something resembling the early stages of a civil war.

There is also much bitterness among Turkey's leaders and the electorate over the continuing US Congressional refusal to ratify the Defence Co-operation Agreement between the two countries. This is seen as an attempt by the United States to force Turkish concessions over Cyprus. Turkish relations with Greece, never more than correct, have deteriorated as a result of Turkey's continuing attempts to lay claims to certain areas of the Aegean with a view to permitting exploration and exploitation of possible mineral and other sources on the Aegean sea bed.

Greece, ever sensitive to the departure of Greeks from Asia Minor after the First World War, is adamant in its refusal to discuss the possibility of a division of Aegean Sea areas. Its application for full EEC membership is seen by Turkey as an attempt to enlist the support of the Community to resist Turkish claims in the Aegean. Turkey, for its part, proposes to obstruct Greece's admission on the grounds that 'it would be equivalent to Europe's flag being planted on 300 disputed Greek islands' off Turkey's west coast. Although Greece is once again enjoying the fruits of democracy, the success of the Pan-Hellenic Socialist Movement (PASOK) at the elections of 20 November means that Mr Kara-

[3] See William Hale, 'Turkey's inconclusive election', *The World Today*, July 1977.

manlis's Government is faced by a more formidable opposition whose leader, Mr Papandreou, is well known for his uncompromising stance on making any concessions to Turkey over the Cyprus and Aegean problems.

In the Eastern Mediterranean's other likely trouble spot—the south Lebanese border zone—the recent meetings between President Sadat and Mr Begin have done little to lessen tension. The Sadat peace initiative[3] has, for the time being, polarized the Arab world and narrowed Arab political support for the PLO in that area effectively to one country—Syria. Syrian and PLO alarm at the possibility of a separate Israeli–Egyptian peace agreement is leading to a re-appraisal of policy, which in the case of the PLO may result in a return to militancy. The Israeli offer of administrative autonomy for the West Bank and Gaza strip with a continuing Israeli military presence and full Israeli control of security falls far short of minimum PLO demands, and unless there is a follow-up offer by Israel there is a real possibility of an increase in the level of fedayeen activity.

The south of Lebanon is the likeliest flashpoint, for it is here that the PLO has its only power base for the consolidation of its military arm, so devastatingly weakened in the aftermath of its clashes with the Syrian Army during the Lebanese Civil War.[4] The precarious Maronite hold on several border villages has been made possible only by strong Israeli logistic and military support. The Palestinian militia and its Leftist Lebanese allies continue to dominate other villages and tracts of territory adjoining the Christian strongholds. Tension is normally at a high level in this sensitive border area where factors unrelated to the Israeli–Palestinian confrontation are also at work. For it is in the south of Lebanon that the leaders of the Maronite militias see further opportunities of inflicting blows against their enemy, the Palestinians. It would take very little to trigger off a serious incident between Maronite and Palestinian militias with its attendant risks of wider confrontation.

GEOFFREY BOWDER

THE FARAKKA ACCORD

THE long-standing dispute over sharing the waters of the Lower Ganges (Ganga) at Farakka between India and Bangladesh was amicably resolved on 5 November 1977, when the two countries signed an accord in Dacca in the presence of the locally stationed diplomatic corps, including the ambassadors of Pakistan and China. The accord, which provides for short-term as well as long-term arrangements, is likely to have wider implications for South Asian international relations.

The difficulties over the Ganga waters arose because during lean

[3] See Keith Kyle, 'President Sadat's initiative', *ibid.*, January 1978.
[4] See Sam Younger, 'The Syrian stake in Lebanon', *ibid.*, November 1976.

months the flow at Farakka, which is situated 160 miles north of Calcutta close to the Bangladesh border, is not adequate to meet the requirements of the two countries. Owing to shortage of water the port of Calcutta, which is the life-line of eastern India, started choking up with silt. India tried to meet the situation by constructing a barrage at Farakka at the cost of nearly Rs.154 crores, with a view to diverting some water by a canal into the Hooghly river in West Bengal so that the tidal inflow of silt at the Calcutta port could be flushed away and the channel for the ships maintained. Before the completion of the barrage, it was agreed between the heads of the two Governments that it would not be put into operation prior to a settlement regarding the allocation of water during the lean period.

Bilateral negotiations between India and Pakistan on this intractable issue began over 25 years ago. In spite of several meetings at different levels, no understanding was reached until 1971. With the birth of Bangladesh, a new chapter opened in the negotiations. In March 1972, the two neighbours decided to set up the Indo-Bangladesh Joint Rivers Commission to develop the waters of the rivers common to the two countries on a co-operative basis. However, the specific questions of the sharing of the waters of the Ganga were taken up by the Prime Ministers of the two countries in New Delhi only in May 1974.

In the meantime, the Farakka barrage had been completed by India. At the ministerial-level meeting between the two countries in April 1975, it was agreed to start operating the barrage and the feeder canal on a trial basis under a provisional accord that during the lean session—from 3 April to 31 May 1975—India would be allowed to draw 11,000 to 16,000 cubic feet of water a second (cusecs) from the Ganga, while the remaining flow would go to Bangladesh.

Within a short period of that stop-gap arrangement Mujib was assassinated and the political landscape in Bangladesh underwent important transformations. The new rulers in Dacca attempted to internationalize the issue without completely abandoning bilateralism. On the one hand, there were continuing rounds of discussions between the two countries and, on the other, Bangladesh raised the issue at international forums, the most important of them being the Colombo Summit of non-aligned countries in August 1976 and the 31st session of the United Nations in December 1976. The United Nations referred the matter back to the two countries at the initiative of the non-aligned countries.

In March 1977, it was India's turn to witness profound political changes as a consequence of which the Janata Party came to power. The new Indian Government and Bangladesh resumed negotiations with greater goodwill and determination and, after several rounds of talks alternating between Delhi and Dacca, an accord was finally reached.

The present agreement is to run for five years, but it may be extended further for a specified period by mutual consent in the light of past

experience. According to its short-term provisions, the lean period when the water is in short supply is spread over five months, from 1 January to 31 May every year, and is divided into fifteen 10-day periods. A schedule annexed to the accord tabulates the average flows of water reaching Farakka on the basis of a 75 per cent availability of the recorded flows from 1948 to 1973; it then lays down the quantity that India is allowed to draw and the entitlement of Bangladesh out of the total availability during each of the 15 periods.

The accord provides for an optimum withdrawal of 40,000 cusecs by India in the lean season. During the leanest 10-day period—21–30 April—India will withdraw 20,500 cusecs, and Bangladesh 34,500 cusecs; the Indian share will thus be 37·5 per cent of the total estimated flow of 55,000 cusecs and is to increase in the subsequent periods to 40 per cent of the total flow, which will also grow due to melting snow in the Himalayan catchment area. Briefly, India's share begins to go down from 1 January when it is at its optimum, and continues to decrease at different rates till it reaches the last day of the leanest period (30 April). From this point onwards it starts increasing till the end of May when the problem of scarcity of water disappears.

In the context of the long-term arrangements, it has been agreed to reactivate the Joint Rivers Commission and ask it to study within three years the report on the viability of the long-term projects proposed by the two countries. The projects are to be specifically aimed at augmenting the dry-season flows of the Ganga. A few ideas, though not mentioned in the accord, have been put forward: they include India's proposal to link the Ganga with the Brahmaputra within a specified time-frame and a Bangladesh project related to the construction of storage reservoirs upstream of Farakka. It is significant that Bangladesh has committed itself to working for a long-term solution; this is bound to require the extension of the agreement on sharing the waters beyond the stipulated period of five years. It is expected that international agencies such as the World Bank are likely to extend help.

The accord is an exercise in sharing shortages by India and Bangladesh. Some vital interests of the two neighbours are at stake, and compromises and concessions have had to be made by both sides. Hence it is hardly surprising that the agreement has been subjected to some criticism. While it has been widely welcomed in India, there have been misgivings in West Bengal which is directly and intimately affected by the accord. The West Bengal Government, which is in the hands of the Marxist CPI(M), is of the opinion that the accord tends to militate against the interests of the Calcutta port which cannot be effectively saved from silting in less than 40,000 cusecs of water during the lean period. But while the critics of the agreement often refer to Calcutta's 'minimum needs' of 40,000 cusecs, it is not certain that this is the correct figure for saving the

port. The inadequate depth of the river for navigation could be corrected also by regular and more intensive dredging, which has not been done so far.

Despite remaining problems, however, the accord is symbolic of a welcome new beginning in bilateral co-operation between the two most populous states in South Asia.

K. P. MISRA

Energy needs in the Balkans: a source of conflict or co-operation?

JUDITH GURNEY

THERE is a striking contrast in the Eastern Mediterranean between the oil-rich nations of the Middle East and North Africa and the Balkans. Although Romania and Albania are better endowed, all the Balkan countries lack sufficient energy resources and have been hit hard by the great increase in the cost of hydrocarbons since 1973. Ironically, their continuing need for oil despite its cost is partly the result of deliberate political decisions taken after the Second World War—to convert industrial sectors from coal to oil and gas fuelling in Yugoslavia, Bulgaria and Romania; to build industrial projects requiring large energy inputs, such as the Pechiney aluminium plant in Greece;[1] and to encourage increasing demand for such energy-consuming devices as passenger cars. Before considering the political implications of energy deficiency for the Balkan countries, it will be useful to survey their individual resources.

The Comecon members

Bulgaria is comparatively energy-poor. It has very limited deposits of hard coal, oil and gas, some deposits of fissionable materials and modest reserves of brown coal and lignite.[2] Oil and gas discoveries in the 1960s have proved to be a great disappointment: crude oil production peaked at 10,000 barrels per day in 1967, fell to 6,700 b/d in 1970 and then to 2,500

[1] The Pechiney aluminium plant and the nickel-processing plant at Laryma, according to the Economist Intelligence Unit, *Quarterly Economic Review*, No. 1, 1974, consume between them one-fifth of Greece's electric power.

[2] The thermal value of lignite is usually less than 2,500 kilocalories and that of brown coal less then 4,000 kcal, while hard coal may run as high as 7,000 kcal per kilogram.

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b/d in 1975, while natural gas production in 1975 was less than half of 1970 production.[3] Energy consumption meanwhile rose at an average of 10 per cent per annum in the early 1970s; it is expected to run at 8 per cent until 1980 and then, hopefully, to decrease to 4 per cent.[4] Bulgaria plans to expand its brown coal and lignite production and its nuclear power sector, but at present is very dependent on oil. Although it imports oil from Iraq and Libya, it depends on the Soviet Union entirely for gas and principally for oil.

By contrast, Romania is energy-rich, although its crude oil output appears to have peaked[5] and little hope exists for new finds to replenish exhausted fields. As seen in Table 2, net exports of petroleum products from Romania's refineries, for which it imports additional oil from Libya and Iraq, decreased 23·8 per cent from 1971 to 1975. Moreover, its fields suffered badly from the earthquake of March 1977 and current production is running 25 to 33 per cent below target.[6] Depleting reserves in the face of high oil prices led Romania, in May 1974, to announce a policy of reducing dependence on oil and gas, partly by converting back to coal fuelling. It hopes to increase the share of coal in electricity production from 29·1 per cent in 1975 to 44 per cent in 1980, whilst reducing the share of natural gas from 49 per cent to 32 per cent and that of fuel oil from 6·9 per cent to 4·6 per cent.[7] The long-range plan involves more extensive use of hydropower, greater exploitation of lignite, brown coal and shale, and development of nuclear power.

European Community associates

Greece to date imports all the oil and gas it requires. As in Bulgaria, high hopes were raised by oil discoveries in the early 1970s in the Aegean Sea, but these have proved to be of low-grade oil in a geological fault with a high sulphur content and will probably meet only some 11 per cent of the demand when they come on stream in 1980.[8] There are no known reserves of commercial gas or hard coal, but there is plenty of lignite which currently provides about half of the energy required for electricity generation. Consumption of energy in Greece, however, is the highest in the Balkans, having increased some 44 per cent from 1971 to 1975, compared to a 20 per cent increase in Bulgaria, a 24 per cent increase in Romania, a 31 per cent increase in Turkey, a 21 per cent increase in Yugoslavia and a 27 per cent increase in Albania (see Table 2). Greece imports oil from Saudi Arabia, Iraq, Iran, the USSR and Syria and exports

[3] *The Oil and Gas Journal*, 17 May 1976, p. 263.

[4] See Christopher C. Joyner, 'The Energy Situation in Eastern Europe: Problems and Prospects', *East European Quarterly*, Vol. X, No. 4, pp. 495–516.

[5] Leslie Dienes, 'Energy prospects for Eastern Europe, *Energy Policy*, Vol. 4, No. 2, June 1976, p. 121.

[6] *Petroleum Times*, 18 March 1977, p. 1.

[7] BBC *Summary of World Broadcasts*, EE/W896/A13, 11 March 1976.

[8] *Noroil*, August 1976, p. 231.

petroleum products from its refineries, principally to European Community markets.

There is considerable uncertainty about Turkish resources. Current oil fields are low-yielding, there are no known gas deposits, hard coal reserves are difficult to mine, and although lignite is plentiful, its thermal value is only 1,000 kcal/kg and its high ash content causes pollution problems.[9] There is hydropower potential and probably the means for a modest nuclear power programme planned for the early 1980s. Turkey depends primarily on Iraq for oil and has the right to purchase a specified amount of the Iraqi oil flowing through the recently completed Kirkuk to Dortyol pipeline.

Yugoslavia has managed to meet about a third of its oil requirements from indigenous sources since 1952, although exploration onshore and offshore has failed so far to locate new fields. Most coal deposits are of brown coal and lignite and it is planned to increase their exploitation by 100 per cent by 1980 and by another 53 per cent by 1985. However, coal's contribution to total energy consumption fell from 73 per cent in 1965 to 42 per cent in 1974 while the share of oil and gas rose from 22 to 51 per cent.[10] Yugoslavia has oil shale, a nuclear plant under construction with a second planned, and the largest hydropower potential in the Balkans. It imports oil principally from the USSR and Iraq, with the latter acting as a co-ordinator of shipments from various Middle East and North African sources.

Albania is in a class of its own. It is difficult to get reliable, or comparable, data on Albanian resources but these appear to be more than sufficient for internal needs and to include crude oil, natural gas, coal and hydropower potential. The 1976–80 Sixth Five-Year Plan targets include an increase in output of crude oil by 11 per cent (23 per cent in the Fifth Plan), of natural gas by 48 per cent (192 per cent in the Fifth Plan), of coal production by 100 per cent (44 per cent in the Fifth Plan) and of electric power by 120 per cent (73 per cent in the Fifth Plan).[11]

Tables 1 and 2 show the production, trade and consumption of commercial energy in the Balkans in 1971 before the Opec price rises, and after them in 1975. They should be seen as indicators rather than statements of fact as it is not possible to compare accurately Comecon energy statistics with those of Western Europe because they are compiled differently. The USSR, for instance, classifies its mineral reserves into categories on the basis of the amount of geological work required to establish the existence of such reserves while the proven/probable classifi-

[9] See World Bank, *Turkey: Prospects and Problems of an Expanding Economy*, Washington, 1975, p. 235.

[10] *Petroleum Economist*, May 1976, p. 181.

[11] See Mehmet Shehu, *Report on the Directives of the Seventh Congress of the Party of Labour of Albania for the Sixth Five-Year Plan (1976–80)*, Tirana, 1976.

cation of Western Europe is based on the economic feasibility of pro duction and marketability.[18] Nevertheless, it is worth noting that con sumption of energy increased in the range of 25 per cent in these years whereas total production increased less than 17 per cent.

Table 1
Balkan Energy Production in 1971 and 1975
(million metric tons of coal equivalent)

	Coal and Lignite		Petroleum		Other*	
	1971	1975	1971	1975	1971	1975
Bulgaria	13·698	14·088	0·448	0·179	0·660	0·74
Romania	11·350	13·844	20·931	22·145	36·213	44·67
Greece	3·593	5·909	–	–	0·325	0·24
Turkey	6·156	7·160	5·074	4·550	0·326	0·72
Yugoslavia	15·805	18·068	4·399	5·450	3·513	4·69
Albania	0·338	0·425	2·436	3·381	0·236	0·36
Total	50·940	59·494	33·288	35·705	41·273	51·45

* Principally hydropower and nuclear energy except in Romania where 35·66 mmtce of natural gas were produced in 1971 and 43·599 mmtce in 1975.

Source: *World Energy Supplies 1971–1975*, UN Statistical Papers, Series J, No 20, 1977.

Table 2
Balkan Energy Trade and Consumption in 1971 and 1975
(million metric tons of coal equivalent)

	Imports		Exports		Consumption	
	1971	1975	1971	1975	1971	1975
Bulgaria	20·663	27·375	0·082	0·034	34·885	41·70
Romania	7·144	12·347	7·985	9·414	65·173	80·79
Greece	10·284	22·664	0·329	4·534	13·142	18·90
Turkey	8·608	14·792	0·152	1·093	18·869	24·70
Yugoslavia	10·787	14·866	0·938	0·526	33·976	41·20
Albania	0·052	0·052	0·210	0·717	1·443	1·83
Total	57·538	92·096	9·696	16·318	167·488	209·15

Source: *World Energy Supplies 1971–1975*, UN Statistical Papers, Series J, No 20, 1977.

Political Implications

Although the pattern varies, all the Balkan countries are developin countries with energy deficiency problems. The effect of expensive im ported oil on their national economies and, potentially, on their politica

[18] Michael Swiss, 'Oil still dominates Comecon energy plans', *Energy International*, November 1975, p. 27.

stability is felt in adverse balance of payments, in steep increases in the domestic market price of petroleum products leading to inflationary pressures on the cost of living, and in decreased viability for high energy-consuming industrial projects. Reactions to these pressures vary, the private consumer being much more sensitive to inflation in the market-place than the industrial concern to the implications of changes in costs. There is not likely to be a shift away from the energy-intensive metallurgical and chemical projects, particularly petrochemicals, which are emphasized in the development plans of Bulgaria, Romania, Yugoslavia, Albania and Greece, especially when finance has been found,[13] even though some are still on the drawing board.[14]

Turkey has been least able to cope with the effect of increased oil prices on its balance of payments and internal inflation, even though its per capita energy consumption is the lowest in the Balkans and its share of imports and exports in proportion to GNP is the second lowest of all OECD countries.[15] Handicapped by a postwar policy of substantial public ownership by state economic enterprises resulting in a large, high-cost, inefficiently managed state industrial sector, Turkey's foreign currency payments for oil since 1973 almost equal the total yearly earnings of the nation from exports, and inflation is currently running at an annual rate of roughly 30 per cent.[16] In the spring of 1977 Turkey was forced to stop import payments because of foreign currency shortage and in September the lira was devalued.[17]

The effects of energy problems on the external relations of the Balkans are difficult to predict as they are, in many cases, contradictory in nature. But some patterns are already visible.

Inter-Balkan relations

There is no doubt that conflict will arise if energy sources are discovered whose ownership is open to question. The most obvious example of this is the dispute between Greece and Turkey over oil and gas reserves which they believed to exist in the Aegean sea-bed. Greece began exploring in the Aegean in 1970 but Turkey only became actively interested in November 1973, after the Opec price rise. Greek discoveries in January 1974 off the island of Thassos—'which could make Greece self-sufficient within the next 5–6 years'[18]—convinced everybody that there

[13] World Bank finance for Romanian polyester plant, according to *The Times*, 19 September 1977, exceeded the total amount of World Bank lending for population and nutritional projects in 1976.

[14] Such as the petrochemical complex planned in Greece, according to *Petroleum Intelligence Weekly*, 21 March 1977, p. 7, 'the largest industrial project ever undertaken in Greece'.

[15] For an interesting analysis of contemporary Turkish economic problems see Anne O. Krueger, *Foreign Trade Regimes and Economic Development: Turkey* (New York: Columbia University Press, 1974).

[16] *The Times*, 11 September 1977. [17] *ibid.*, 22 September 1977.

[18] *ibid.*, 11 January 1974.

was oil in the Aegean and the conflict between Greece and Turkey in 19 and 1975 involved this issue almost as much as it did Cyprus. Gree claimed that Continental Shelf measurements should be taken from islands; Turkey maintained that they should be taken only from t mainland as the Greek islands were geologically a natural prolongation the Anatolian peninsula. Turkey sent out exploratory ships, Gree fortified the larger Aegean islands despite the terms of the Treaty Paris ensuring their demilitarization. The air space was closed to all ove flights and there was a real danger of war. Appeals were made by Greece the International Court of Justice and the UN. The conflict had coole appreciably by the end of 1977: the Greek discoveries turned out to b grossly overrated and Turkish explorations had yielded nothing. (Simila explorations by Yugoslavia over a period of years in the Adriatic have als failed to uncover undersea resources and the existence of oil and gas re serves in Eastern Mediterranean waters is now very much in doubt.)

On the other hand, common energy needs have brought new pos sibilities of co-operation to the Balkans in contrast to the competition c these countries for agricultural markets for their perishable crops. Th Balkan Conference at the beginning of 1976, attended by all the countrie in the area except Albania, identified energy as a sector appropriate fo immediate Balkan co-operation and cited particularly the linking o national power networks as well as the joint consideration of solar energy The latter field has not yet been investigated but there is some co-op eration in oil exploration and refinery construction, principally involvin Romanian economic and technical assistance in such projects as drillin for oil in the Nestos River delta in Greece and building the Central Ana tolian refinery in Turkey. More important is the considerable co-opera tion planned and actual in the production and use of electric power There are several hydropower plants on the Danube which have bee jointly constructed and whose output is shared. There is a joint Bulgaria and Romanian station at Nikopol-Turnu Magurele, a joint Yugoslav Romanian station, Iron Gate 1, and an agreement was signed on 2 Feburary 1977 for the construction of Iron Gate 2 and for the enlarge ment of the capacity of Iron Gate 1.[19] Consideration is being given t smaller scale joint hydroelectric projects on the Axios (Vardar) rive between Greece and Yugoslavia, on the Strymon (Struma) and Nesto (Mesta) rivers between Greece and Bulgaria and on the Evros (Meriç river to benefit Turkey as well as Greece and Bulgaria.

There is an active committee composed of representatives of all th Balkan countries except Albania as well as of the Economic Commissio for Europe (ECE) Secretariat and the United Nations Development Pro gramme (UNDP) which meets periodically to consider the intercon nexion of electric power transmission systems. Electricity can be trans

[19] *Financial Times*, 23 February 1977.

mitted across international frontiers as easily as within national borders through a power system consisting of overhead lines. The costly technical problems which arise in the transmission of large amounts of electric power over long distances can be eliminated by going to high voltages, as is done in the United States and the Soviet Union. The existing Western European power-sharing grid UCPTE (Union for Co-ordinating Production and Distribution of Electricity) is generally of lower voltage than the Comecon 'Mir' grid which could be an important factor in influencing the Balkan Committee's decisions on linking. The advantages of interconnexion, however, are not only in the economics of generating plant construction and large-scale operation and transmission, but arise also from the opportunities of exploiting diversities of power needs, including variable peak times and resources. Demand for electricity varies across national borders not only with differences of climate but also with varying lifestyles. Moreover, different sources of power have variable characteristics which can also be exploited. Hydropower, for instance, in which Yugoslavia is strong, can be stored as water and drawn off when required to provide immediate energy, whereas fossil fuels need to be mined as well as stoked up, thus affording a slower response. For these reasons, it seems likely that electric power co-operation will increase within the Balkans.

External Balkan relations

There is no doubt that need for oil will increase the links between the Balkans, individually and perhaps as a region, and Middle East and North African oil producers. The strongest connexions appear now to be with Iraq which supplies oil to Yugoslavia, Greece, Bulgaria, Romania and, especially, Turkey. There are also links between Libya and Bulgaria, Turkey and Romania, and between Kuwait and Yugoslavia, with Kuwait providing a third of the finance for the proposed Pan Adria pipeline linking Yugoslavia, Hungary and Czechoslovakia.[20]

Balkan relations with the United States are unlikely to gain in importance because of energy needs unless the United States intervenes with financial aid to reduce individual balance of payments deficits, which seems improbable for the moment. Indeed, to the extent that the United States is seen as the architect of joint ventures in high-energy-consuming industrial projects in these countries, and thus as a contributory cause of balance of payments strains, this may encourage the growth of anti-American feeling. Such antagonism lends itself to political organization, as by Andreas Papandreou's PASOK party in Greece whose strength was dramatically increased in the November 1977 elections. Some hostility may also be generated towards the European Community. Balkan relations with the EEC will be determined to a large extent by the course of

[20] Joyner, *op. cit.*, p. 507.

world economic vitality as this effects inflation, trade and investm
Yugoslav, Greek and Turkish balances of payments are particul
vulnerable to contraction of the market for immigrant labour in Germ
and would suffer from Community protection of southern Italian
French agricultural producers. Greece will be especially sensitive to
dampening in Community enthusiasm for enlargement.

Balkan relations with the Soviet Union, on the other hand, could v
be strengthened as a result of energy needs. As stated above, the US
now supplies most of Bulgaria's oil needs, and it also exports oil to Gre
and Yugoslavia. Although its prices rose by 130 per cent in 1975, they
still well below Opec levels. Indeed many do not share the CIA view t
the Soviet Union will soon be unable to export oil.[21] The USSR is
important as a gas supplier and the gas pipeline from the Ukraine thro
Romania to and around Bulgaria could be extended further sout
desired. Furthermore, Russia is interested in expanding the Come
'Mir' grid further south to link up Bulgaria[22] and would presumably
interested in a wider 'Mir' connexion.[23] It provided technical and e
nomic aid for the Greek Keratsina power station[24] and gave other proj
aid to the Greek Public Power Corporation in 1976.[25] It has also agree
finance several thermal power stations in Turkey and it backed the c
celled scheme for the exploration of Greek peat deposits in East
Macedonia. In addition, Russia has shown interest in the constructio
nuclear power reactors in the Balkans, presumably intended to run
uranium enriched in the Soviet Union and it gave aid for the construct
of two nuclear reactors at Kozlodui in Bulgaria in the early 1970s.[26]

The attraction of Soviet assistance in energy projects lies partly in
feasibility of links in the form of electric power grids and gas pipeli
but also in the appeal of barter-type bilateral agreements to count
beset with balance of payments problems. If Russia can continue
supply the assistance which the Balkans need, it seems likely that t
will continue to accept it.

[21] See Jeremy Russell, 'CIA too gloomy over Russian oil prospects', *The Ti*
27 April 1977.

[22] BBC SWB, EE/W862/A15, 22 January 1976.

[23] The 'Mir' central despatching office is in Prague, but the command ce
connecting the principal branches is in the Soviet Union, in Mukachevo, just
the Czechoslovak border (Joyner, *op. cit.*, p. 503).

[24] *Financial Times*, 13 January 1976. [25] *ibid.*, 22 November 1976.

[26] *Neues Deutschland*, 2 June 1973.

Turkey and the European Community

MEHMET ALI BIRAND

A Turkish view of a difficult relationship bedevilled by the gap between political aspirations and economic realities.

On 31 July 1959, Turkey applied to the European Community (EC) for an agreement of Association and thus became the second country to do so, following Greece by a few weeks. The application was motivated by political considerations more than economic realities. It is clear that if Greece had not applied, Turkey would have taken much longer to decide what kind of relationship to establish with the Community. As it was, the Greek application provided a sufficient reason for immediate action. The traditions of Turkish foreign policy required that Greece be watched very closely so that it would not use the political and economic weight resulting from a new relationship with Europe against Turkey. This idea, which was dominant in the minds of Turkish politicians, was rooted in a historical process of reciprocal suspicion, fear and knowledge that Greece had been and was still the 'golden child of the West'.

Another important reason was Turkey's ardent desire to establish close relations with Europe and to be considered 'European'. Turkey had already taken its seat in the Council of Europe and, having actively participated in the Korean War, was delighted to be accepted as a member of Nato. Given the state of East-West relations and the Cold War at that period, Turkey set great store to 'belonging to Europe'.[1]

The economic reasons for a closer relationship with the EC were of secondary importance and again were linked to the problem of Greek competition. In 1959, 35 per cent of Turkey's total exports and 32 per cent of its total imports were with the EC. More than 80 per cent of Turkish exports were agricultural products (tobacco, raisins, figs, hazel-

[1] For background to the Turkish application, see interviews with Turkish diplomats who negotiated the Ankara Agreement and the Additional Protocol, in the author's work noted below.

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nuts, cotton, etc.) which were also exported by Greece. Therefore, Turkey's economic aims were threefold: (i) not to lose the market to Greek agricultural products; (ii) to find new markets to boost its exports in order to obtain much-needed hard currency; (iii) to obtain new sources of credits which its developing industries urgently required and thus to decrease the very high degree of dependence on US aid and credits.

Turkey's application was welcomed by the EC, which similarly ignored the long-term economic consequences of such a relationship and emphasized its political aspects. The only dominant preoccupation of the Six was to treat Greece and Turkey equally so as not to upset the delicate balance between them.

1959–1963

The negotiations between Turkey and the EC began on 28 September 1959, but took two years longer than the Greek negotiations, ending with the signature of the Ankara Agreement on 12 September 1963. One reason for these protracted negotiations was the difficulty of finding an association formula which would reconcile economic realities and Turkish aspirations. From the very beginning of the negotiations, the EC tried to offer Greece and Turkey the same association formula. But the fact that Greece could shoulder more economic obligations than Turkey[2] created a serious problem for the Community, which had sought to base the agreements on reciprocal obligations.

With a population of 25 million, Turkey had a very high rate of population growth of 3 per cent; between 60 and 70 per cent were illiterate; more than 75 per cent of the labour force was in agriculture, producing four-fifths of total exports. Turkey was an under-developed country with a typical Mediterranean type of agriculture. Its industry, controlled by the state and protected by high-tariff barriers, was still in its early stage of development. The private sector, satisfied with its profits in the domestic market, failed to take into account the demands of free international competition. The policy followed by the Democratic Party meant that foreign currency resources and credits obtained abroad were wasted on luxury imports. Turkey's external debts amounted to 1 billion dollars and out of its total gold reserves of 132 tons, 118 tons were given as security. Her foreign currency reserves were down to $14 m. whereas Greece had reserves of $116 m.

Thus, despite its natural resources, its young labour force, its agriculture, its budding industries and the fact that it was a potentially important market for the EC, Turkey was not ready for free competition with the developed members of the EC. It was also feared that it might invade the agricultural market with its cheap products and that it would have to be continually supported by loans for its economic development. There was

[2] See EEC document No. R/644/59, 9 September 1959.

the added political factor that for some members Turkey was not quite 'European'. The advantages and drawbacks were debated at endless EC Council meetings, with Germany always emphasizing the political and strategic reasons for backing Turkish demands. The negotiations showed that Turkey was unable to take on the same obligations as Greece[3] although it tried to obtain the same concessions. Its demands included free access for its agricultural and industrial exports, $500 m. on loan, and a written guarantee of full membership at the end of 22 years.

The Ankara Agreement, signed on 12 September 1963, provided the framework for Turkey's Association with the Community: it laid down that in the first 5-year preparatory period, the EC would give unilateral concessions to four basic Turkish agricultural exports and a loan of $175 m. Turkey would not have any obligations other than to strengthen its economy during this period. At the end of this period, after a joint study of the state of the Turkish economy, the Association Council (the Governments of the Six and of Turkey) would decide if the so-called transition period of 12 years should begin. If the results of the joint study were unfavourable, the preparatory period would be further extended for a maximum period of six years. During the negotiations, Turkey had unsuccessfully tried to insist that the transition from the preparatory period to the transition period should be automatic. It had good grounds to fear that France and Italy might seize any opportunity to create further difficulties, Italy on agricultural problems, and France on the basic political problem of Turkey's European credentials.

As finally agreed upon, the preparatory period provided both Turkey and the EC with a breathing space and in effect postponed the final decision on how and when to reach a customs union. Though it was evident that the few agricultural concessions and the 5-year $175 m. loan were far from meeting the needs of a developing country like Turkey, both sides claimed that the Ankara Agreement was a major political victory. Turkey was content to be attached to the European 'locomotive', as Greece had done, and to have yet another link with Europe.

1964–1972

However, successive governments, far from taking measures to strengthen the economy in the preparatory period, followed a policy of laissez-faire. There was no debate in the press, no public discussion, no research done by the business circles who should have been the most concerned. Public opinion was almost unanimous in its interpretation of the Ankara Agreement as a political act.

The Foreign Ministry alone did not shelve the agreement and finally

[3] See COM/21 December 1959 and COM/19 December 1959; EEC Commission document No. 2.05.02, 23 November 1959; Council note, 8 September 1959; External relations (Commission) note, 25 September 1959.

convinced the then Turkish Premier, Mr Demirel, to make a second move: in the third year of the preparatory period, on 16 May 1967, Turkey demanded that negotiations should start for the transition period which would result in a customs union. Again, the most important reasons for this initiative were political: (i) Britain, Ireland, Denmark and Norway were on the threshold of EEC membership, and Turkey thought that it would be easier to obtain concessions before the enlargement of the Community. (ii) The Community had 'frozen' its agreement with Greece in response to the overthrow of the Greek Government by a military junta: the EC might well be more forthcoming towards a 'democratic' Turkey, so that the existing gap between the Ankara and Athens Agreements could be bridged. (iii) Last but not least, it would be a further step towards enabling Turkey to take its true place in Europe.

The economic reasons were, first, that the agricultural concessions obtained under the Ankara Agreement had proved to be insufficient; second, new markets were needed for the products of small- and medium-sized Turkish industries; third, loans required for new investment might be obtained by a new financial protocol; fourth, the flow of Turkish migrant workers to Europe could be stepped up in response to German requests and in order to increase foreign-exchange earnings. Attempts could also be made to improve conditions of migrant workers in Europe.

The Community, however, was aware that the time was not ripe to begin the transition period; it knew that Turkey had not taken any measures to adapt to the introduction of a customs union. The European Commission, in its report to the EC Council, pointed out that the continuation of the preparatory period was more to the advantage of Turkey and that in the event of a Turkish economic crisis the EC could not be held responsible.[4] But Turkey, using its political weight, insisted on negotiations to begin the period of transition, and the EC, again fearing to be labelled a rich man's club, was unable to say 'No' to a Nato partner and associate member.[5] Although it warned of the difficulties and obligations of a customs union, it went ahead and prepared a strict calendar which would abolish Turkish tariff barriers within 12 years (exceptionally 22 years for some products). This was roughly the same model as stipulated in the Athens Agreement of 6 March 1961. As Eurocrats say today, it was a ready-to-wear suit rather than one cut according to the specifications of the wearer.

The negotiations concluded with the signature, on 22 July 1970, of the Additional Protocol which provided for the free access of all Turkish industrial products except the most 'exportable' ones—textiles and petroleum products. In agricultural products, the Community slightly

[4] European Commission document SEC(68)1386 Final, 29 April 1968.
[5] European Commission documents S/658/68(NT 25) and S/710/68(NT 28).

improved on the terms of the Ankara Agreement in accordance with the export capacity of these products. But these concessions were still far from answering Turkish needs and potential. For instance, Turkey had requested a loan of $800 m. but only received $195 m. over a period of five years.[6]

Both the EC and Turkey had entered into these negotiations to establish a balance between obligations and advantages. Turkey's aim was to increase its foreign currency inflow through the export of agricultural and industrial products, and through the transfers of Turkish workers abroad, as well as to obtain more credits for its economic development. But the Community, although it considered it essential to maintain access to Turkish markets, was not prepared to be generous. Officially, both sides claimed that the Agreement was balanced, but a relative imbalance had existed right from the beginning. Turkey accepted the abolition of all tariff barriers within a given period, whereas the EC did not provide the necessary concessions for Turkish agricultural products for fear of disturbing the already shaky common agricultural policy. Nevertheless, Turkey signed the Protocol, after Germany and other Community members had pledged to review regularly the concessions given by them, especially on agricultural products.

1973–1976

Soon after the signature of the additional Protocol, EC–Turkish relations began to deteriorate. The enlargement of the Community, the agreements signed with third countries, the new Mediterranean policy and, last but not least, the world economic crisis had eroded the concessions given to Turkey and upset thoroughly the theoretical balance underlying the additional Protocol. Turkish foreign reserves had dwindled and, for the first time, the additional Protocol was blamed, rightly or wrongly, for everything that had gone wrong in Turkey: economic factors had taken the upper hand over political reasons and excuses.

EC–Turkish relations suffered both from Turkish political chaos and from the introverted approach of the Community, which was reeling from the two consecutive shocks of enlargement and the economic crisis resulting from the oil embargo and increasing inflation and unemployment. These factors culminated in a deficit in Turkey's trade balance with the EC of the order of $1·7 billion in 1975 against $500 m. in 1973 (in 1975, 44 per cent of Turkey's total exports and 49 per cent of its imports were with the Nine). The advantages that Turkey had expected to enjoy from its associate status had proved illusory.

The enlargement of the Community with the entry of Britain, Ireland

[6] See CEE-TR 32/68, 31 December 1968; CEE-TR 3/69 and CEE-TR 25/69, 30 April 1969; CEE-TR 32/69, 12 June 1969.

and Denmark also had an adverse effect on Turkish relations. The preoccupation with internal structural and economic problems overshadowed the 'special' relationship of the Six with Turkey. For the new members, Turkey was just another Mediterranean country with no special status. The gradual change in the nature of the German support given to Turkey was another factor in the deterioration of its special status *vis-à-vis* the Nine. Turkey did not appreciate the EC's reappraisal of strategic and military factors and political options in the wake of the raw materials revolution. In the new economic order, Turkey no longer enjoyed priority over third countries. It could not understand the rejection of its demands for new agricultural concessions, the restrictions imposed on its textile exports by the EC and the impact of the Mediterranean policy. Thus it was continually disappointed and suspicious of the Community's attitude and motives.

The Turkish intervention of 1974 in Cyprus contributed to the deterioration in relations. The strong reaction of the EC to the second Turkish intervention and its joy at the return of Mr Karamanlis and Greek democracy were incomprehensible to Turkish public opinion. The condemnation of Turkey by the Community member countries, especially France, caused further suspicions and dismay, compounded by the American arms embargo.

The Greek application for full membership was another important factor in destroying the basis of the additional Protocol. Turkey felt for the first time that it could not follow Greece in this venture. It now had to search for a new kind of relationship with the EC which would compensate it for the negative effects of Greek membership and would prevent an eventual Greek veto on Turkish demands.

Finally, the successive governmental crises after 1974 and the creation of a National Front coalition under Premier Demirel, resulting in a political vacuum and internal disturbances, also had its effect on EC-Turkish relations. With each party holding a completely different view of the Community, no unified policy towards the EC was possible and much time was wasted.

New perspectives

EC-Turkish relations are now entering a new phase. The most important factor to be considered is the proposed enlargement of the Community towards Greece, Portugal and Spain. This presents an opportunity which must be seized in order to improve relations between Turkey and the European Community both of which have changed since the 1960s.

Even though its industrialization effort has been immense, Turkey remains an agricultural country with two-thirds of its total labour force still employed in this field. The population growth is 2·6 per cent per

annum, 60 per cent of the people live in villages, and the illiteracy rate is around 35 per cent. Sixty per cent of total exports in value consists of agricultural goods and 40 per cent of industrial products. Agriculture still remains to be modernized. Fertilizer is scarce, while lack of irrigation and fragmentation of land prevent the full use of its potential. Lack of modern packaging systems and marketing are the main obstacles to Turkish agricultural exports. Although Turkey is half as big as the Community and has access to three seas, diversification of agricultural exports towards the EC markets has not been achieved. But given investment, technological know-how and a proper market, Turkish agriculture has great potential in all seasons.

Industry has tripled in size in the space of ten years, far exceeding the projections of the State Planning Organization. In particular, labour intensive industries (textiles and consumer durables) and the electronics industry have boomed. However, industry has not been able to absorb the full labour force, so that around 2 million are still unemployed. The penury of energy sources, the lack of proper exploitation of national resources, the restrictions placed by the EC on some industrial exports and the insufficiency of foreign currency have hampered the full development of Turkish industries.

Together with a revision of the additional Protocol, Turkey should begin to make long overdue structural changes, introduce tax reform, establish an export-oriented industrial strategy, develop cost-effectiveness studies, modernize agriculture, overcome infrastructural deficiencies and tackle the long-term problem of population growth and internal consumption. But even if all these measures are taken and the EC gives its full support, Turkish industry will need to be protected *vis-à-vis* the advanced European industries for a long time to come.

For a developing country with many gaps to bridge, full membership can only be a target for the distant future. Turkey has to play the primary role but the EC too should face its responsibilities. In spite of big social changes and disorders, Turkey has remained attached to the democratic system. The EC, extending full membership to newly democratic countries like Spain, Portugal and Greece in the hope that it will consolidate the democratic process, should show the same care in its relations with Turkey.

Revision of the additional Protocol

By revising the Additional Protocol the European Community and Turkey could reaffirm their commitment to an improved relationship, establishing a fair and stable balance between mutual obligations and advantages. Any negative consequences of the further enlargement of the Community should be anticipated and compensated, the central theme of the Protocol being to contribute constructively to the economic

development of Turkey. A number of specific points can be made about the revision of the additional Protocol.

(i) *Agriculture*

The new enlargement will create additional problems over and above the progressive erosion of the meagre agricultural concessions already obtained. Ankara fears the direct competition from traditional Portuguese and Greek exports, but in the long term it is Spain's great export capacity which would completely displace Turkish exports from European markets. Therefore, a strict timetable with inbuilt automatic further concessions should be provided by the Community, although a safeguards clause for the EC might be necessary. Turkey has learned from past experience that pledges uttered by EC ministers tend to be forgotten. Behind the insistence on automaticity lies the fear that the new members, especially Greece, might veto Turkish demands.

(ii) *Industry*

All Turkish industrial products have full access to European markets, except textiles (especially cotton-thread and cotton products), rugs and petroleum products. However, these exceptions happen to be the major export assets of Turkey. Textile exports alone form in value more than 30 per cent of its total industrial exports. The EC in turn has benefited from this textile boom in Turkey by exporting £200 m. worth of machinery in 1974/75, and absorbing 91 per cent of Turkey's total textiles exports.

The Community's own textile industry is experiencing serious difficulties. These, however, are not caused by free competition from abroad, but by its outmoded structure, which will sooner or later compel the Community to abandon efforts to sustain it. Against this background, and in view of the need for cotton yarn imports, the Community should revise its position *vis-à-vis* Turkey and undertake a long-term co-operation by lifting all restrictions. This point is very important considering the balance of concessions in the additional Protocol. With the income obtained through textile exports, Turkey can reinvest in other promising areas and gain a greater opening towards Community exports. In fairness, it must be said that it may be difficult for the EC to give concessions to Turkey when textile policy has a direct influence on the internal politics of some Community members. But with goodwill, a compromise solution can be found.

(iii) *Free movement of labour*

According to the additional Protocol, the right to free movement applies to Turkey from 1976, leading to complete free movement in 1986. In spite of Turkey's insistence, the implementation of this timetable has

not yet been defined. This is one of the major reasons for the deterioration of the theoretical balance of the Protocol.

However, if the EC fully satisfied the Turkish demands on other essential matters, Ankara could be expected to follow a more flexible and realistic stand on the implementation of the free movement of Turkish workers and to refrain from overemphasizing this point as long as unemployment exists in Europe.

(iv) *Turkish obligations*

The crucial problem today is how to render Turkish obligations more flexible. Starting from 1973 over a period of 12–22 years, Turkey was to abolish all tariff and other barriers with the EC, consolidate its imports from the Nine (eventually the Twelve) and harmonize its tariff levels with that of the Community. These obligations are seen as a threat to Turkey's developing and newly established industries necessitating the revision of the additional Protocol. From 1983, the liberalization percentage of Turkish imports from the EC will reach 80 per cent, and the consolidated liberalization will increase to 45 per cent together with the considerable dismantling of tariff barriers. The State Planning Organization has strong objections to this timetable; it points out that unless it is changed the additional Protocol will remain a dead letter, since Turkey will face serious financial difficulties when the time comes to open its frontiers.

The author believes that a new mechanism should be developed in this respect. Either the automaticity of the timetable should be left to the decision of the Association Council, or the liberalization and consolidation lists should be annually revised by the technical staff. In this way, the aim of the customs union could be reached in a flexible and realistic way commensurate with the economic development of Turkey.

(v) *Political co-operation*

When the additional Protocol was signed in 1970, the idea of political co-operation among the member states was in its infancy whereas now it is one of the more successful ventures of the Community. Turkey, an associate country and potential full member, was not involved in this process. The Greek application for full membership has suddenly enhanced Turkish sensitivity to this area of Community activity. Greek participation in the political mechanism of the EC in the absence of Turkey would not, in any circumstances, be tolerated by Turkish public opinion—particularly in the light of the 'regional balance' involved in such important and sensitive issues as the Cyprus and Aegean problems. If Turkey is not allowed some kind of a presence in the context of the political mechanism of the Community, it will be assumed that Europe has made its choice and the repercussions would be incalculable.

EC–Turkish relations will reach a climax with the new enlargement.

Political will, imagination and new mechanisms, which are already under study for the specific cases of Portugal, Greece and Spain, are needed to tackle the problems with Turkey. If the West considers that in the long run Turkey should take its place in the Community and preserve its links with the West, the Nine should take concrete and practical measures towards this goal. If Turkey is expected to shoulder the heavy burden for the defence of the West in the context of Nato, but is excluded from the economic and political integration of Europe, Turkish public opinion is bound to react—with far-reaching though completely unpredictable political consequences. In these circumstances, the Community should not miss the opportunity provided by the applications of Greece, Spain and Portugal to examine the Turkish file in a realistic and constructive manner.

Whither Albania?

F. STEPHEN LARRABEE

Of all the countries in Eastern Europe Albania has been the least affected by the winds of change that have swept across the European continent in the last decade. Internally it remains a tightly controlled police state based on Stalinist practices largely abandoned elsewhere in Eastern Europe, while externally its policy continues to be characterized by a revolutionary ardour and parochial exclusiveness matched by few countries in the world today. This combination of internal rigidity and external xenophobia have made Albania a political anachronism at a time when the international system is more and more taking on the character of a 'global village'.

The roots of Albania's isolation are to be found in its geography and past history—as well as the ruthless brand of Stalinism pursued by Enver Hoxha, a Western trained intellectual who has ruled Albania with an iron hand since the Albanian Communist Party came to power in 1944. The rugged, mountainous terrain and the lack of communication and transport links to the outside world have reinforced an acute nationalism and xenophobia fostered by centuries of foreign intervention and small power imperialism on the part of its closest neighbours. Surrounded by more powerful states which consistently sought its dismemberment, Albania was the continuous object of invasion and occupation throughout the nineteenth and early twentieth centuries. This pattern of small power

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imperialism and great power domination left an indelible impact upon the character of the people and served to breed an ingrained suspicion of foreigners.

Traditionally Albania has been forced to seek the protection of a foreign power in order to insure its security. This pattern was repeated in the early postwar period when Albania fell under Yugoslav domination. Fears of Yugoslav irrendentism inspired Enver Hoxha, the present head of the Albanian Communist Party, to side with Moscow in the Stalin–Tito dispute, a move which both facilitated Hoxha's triumph over Koce Xoxe,[1] his main rival for leadership within the party, and also established Moscow as Tirana's main patron. Moscow provided an important protective shield against Yugoslav and Greek irrendentism and, as long as Soviet Yugoslav relations were strained, Albania remained a model satellite. However, Krushchev's attempt to mend fences with Belgrade in 1955, and again after 1957, threatened to remove this shield and, most importantly, undermine Hoxha's own position. This prompted Hoxha increasingly to side with Peking in the emerging Sino-Soviet dispute and finally to break with Moscow openly in 1961.[2]

The break with Moscow established China as Tirana's new patron and gave Peking its first beachhead in Europe. While Albania was to all intents and purposes a Chinese satellite, the relationship was mutually beneficial. Tirana acted as a vocal, if somewhat impotent, spokesman for Peking's interests abroad at a time when China found itself isolated both within the Communist movement and in the international community as a whole; in turn, Peking acted as a vital source of sustenance and support for Tirana in an otherwise hostile world. Internally, Chinese aid allowed Albania to develop its economy, particularly its extractive industry, at a faster pace than would otherwise have been possible,[3] while externally it helped Albania to withstand Soviet pressure and to defy the rest of the world.

Changing external environment

It is increasingly questionable, however, whether this pattern can or

[1] Xoxe was the leader of the pro-Yugoslav faction within the Albanian party. He was arrested in November 1948, and executed in June 1949, in the first of a series of bloody purges in the late 1940s and early 1950s which enabled Hoxha to consolidate his hold on the party.

[2] On the background to Albania's break with Moscow see William E. Griffith, *Albania and the Sino-Soviet Rift* (Cambridge: MIT Press, 1964).

[3] The exact amount of Chinese aid to Albania is difficult to calculate. However, it has been estimated that between 1961 and 1972 Peking gave Tirana nearly $500 m. worth of technical assistance, credits for equipment and other goods. (*Christian Science Monitor*, 13 July 1972.) Moreover, on 3 July 1975, Peking agreed to grant Albania an interest-free, long-term credit and to supply Tirana with all the mechanical equipment for certain projects. An agreement was also signed at this time for the purchase and exchange of goods between 1976 and 1980. (*Zeri i Popullit*, 4 July 1975.)

will continue in the future. Since the split with Moscow in 1961 Albania's security has rested mainly on four factors: (i) the unity of Albanian leadership. A series of bloody purges in the late 1940s and early 1950s eliminated most anti-Hoxha elements, and those members of the ruling elite who survived have been bound together by clan and regional ties; (ii) Albania's geographical isolation which has made any military intervention by Moscow difficult; (iii) the large volume of Chinese aid and political support; and (iv) Yugoslavia's non-aligned position, which has been a source of stability in the Balkans and a bulwark against Soviet expansion in that area.

Today the force of these factors is diminishing, and their permanence can no longer be taken for granted. First, there is increasing uncertainty regarding Yugoslavia's future once Tito is gone. Instability in Yugoslavia, particularly any weakening of Belgrade's commitment to non-alignment, would undercut Albania's ability to maintain its present independence from the Soviet Union. Second, and even more important, developments within China—particularly Peking's emergence from its diplomatic isolation since 1970—have led to increasing differences between the two countries and a visible deterioration of relations. As long as China remained isolated, there was a natural community of interest between the two international pariahs. Once Peking began to emerge from its diplomatic isolation, however, differences began to manifest themselves, particularly regarding the role of the super-powers. At the Sixth Party Congress in 1971, for instance, Hoxha openly warned that the struggle against imperialism was 'indivisible' and that it was wrong to make compromises with either super-power—a remark which seemed distinctly aimed at signalling Albania's disagreement with Peking's attitude towards relations with the United States.[4] Thereafter Tirana failed to follow the Chinese line on a number of other issues such as the normalization of relations with Britain and West Germany—both of which continue to be reviled in the Albanian press—as well as policy towards Nato and the EEC.

As long as Mao was alive, the growing disharmony in Albanian-Chinese relations, while evident from time to time, was largely muted, and both parties seemed basically inclined to play down any major differences. Over the last 18 months, however—and particularly since Mao's death in September 1976—the divergence has become more obvious and the strains more serious. Coverage of Chinese developments in the Albanian press has noticeably declined—as have the number and frequency of high-level Chinese visits to Albania. Moreover, since the middle of 1977 Albania has publicly attacked Peking—albeit indirectly—on a number of occasions. The main object of Albania's attacks has been Peking's 'three-world' theory, which divides the world into developing

[4] *Radio Tirana*, 2 and 4 November 1971.

countries, developed countries and super-powers. Tirana regards this theory as contrary to fundamental principles of Marxism-Leninism because, in its view, it ignores the 'class character' of the struggle between capitalism and socialism. At the same time, over the last few months Tirana has increasingly warned against the dangers of underestimating the threat from either super-power—a clear allusion to Peking's interest in normalizing relations with the United States. Any attempt at favouring one super-power over the other is regarded by Albania as 'opportunism' and a betrayal of revolutionary Marxism-Leninism.[5]

Exactly what prompted Albania to attack publicly its former patron is not entirely clear. However, a number of factors strongly suggest themselves. Hoxha appears to have hoped for a victory of the Shanghai radicals in the current power struggle in Peking and become increasingly disenchanted with the course of developments in China under Mao's successor Hua Kuo-feng.[6] It seems likely that the rehabilitation of Teng Hsiao-ping—who had previously been associated with a moderate and pragmatic course and whom Hoxha had directly criticized at the Seventh Party Congress—and the decision of the Chinese leadership to receive the American Secretary of State, Cyrus Vance, in August 1977 convinced Hoxha that things had gone too far and that it was time to speak out. Hoxha also seems to have been upset by the warm welcome which Yugoslavia's President Tito—long regarded as an arch-revisionist in Tirana—received during his visit to Peking in September.[7]

Another important indication of the growing differences between Tirana and Peking has been Hoxha's efforts to capture the leadership of the Marxist-Leninist splinter parties, which lately have increasingly come to echo the Albanian line. For instance, the issue of the simultaneous struggle against both super-powers was one of the main themes at the international meeting of Marxist-Leninist splinter parties in Rome last February, and many of the speakers sharply attacked 'opportunism'.[8] Such attacks may be seen as indirect criticisms of the Chinese, who consider the Soviet Union to be the 'main threat' to world peace, and

[5] See, in particular, the two important commentaries in *Zeri i Popullit* on 7 and 14 July. To underline its disagreement, Albania distributed the text of the first article to a number of Western embassies as well as to the Chinese embassy. See also the speech by Hysni Kapo, the third-ranking member of the Albanian Politburo, on the occasion of the 60th anniversary of the October Revolution, in which Kapo attacked the 'three-world' theory as anti-Leninist, counter-revolutionary and pro-American. ATA, 8 November 1977.

[6] To date there has been no mention of the 'Gang of Four' in the Albanian press. Moreover, in his speech to the Seventh Party Congress in November 1976, Hoxha mentioned Mao on several occasions but made no reference to his successor Hua Kuo-feng.

[7] See K. F. Cviic, 'Tito's Eastern tour', *The World Today*, October 1977.

[8] See Louis Zanga, 'Albania and China in the view of the Marxist-Leninist splinter parties', *Radio Free Europe Research*, Background Report 48, 1 March 1977.

who as a consequence have downgraded the danger from US imperialism. In fact, Albania may well be using many of the Marxist-Leninist splinter parties in the same way as Peking used Tirana as its mouthpiece in the early stages before the Sino-Soviet split became an open fact.

To date the polemics between Tirana and Peking have remained oblique, with neither country openly attacking the other by name. Initially, Peking sought to play down the dispute, preferring to ignore the Albanian attacks, but recently it has begun to take the offensive.[9] Whether Peking's more assertive policy will spark off a new round of polemics and possibly lead to an open break remains to be seen. It is clear, however, that Albanian-Chinese relations have reached a new low and it is unlikely that Albania will be able to rely on Chinese aid in the future to the degree it has in the past. This is likely to have an impact on the Albanian economy, particularly its rate of growth. Indeed, the deterioration in relations with Peking may well be one of the main reasons why Albania failed to achieve many of its planned targets in the 1971–75 five-year plan and why many of the targets in the new 1976–80 five-year plan have been scaled down. A number of important construction projects such as the Ebasan metallurgical combine, the Ballsh refinery and the Fierza dam are behind schedule, and the delay in their completion is quite possibly due to a decline in the amount of Chinese aid available, or a failure on the part of Peking to deliver needed equipment on time.

While the deterioration of relations with China has not yet reached the point of no return, it seems likely that Hoxha, if pushed to the brink, would not shrink from an open break with Peking. Over the last few years Albania has allowed a slight opening to the world, and today it has diplomatic relations with some 85 countries. As a consequence, Albania is in a stronger position to withstand the hardships that a break with China would impose than was the case 15 years ago when Tirana split with Moscow. Moreover, in the last 18 months Hoxha has increasingly emphasized the need for self-reliance in his speeches[10]—a fact which suggests that he may already be looking ahead to the day when the lifeline to Peking will be severed.

The recent strains in relations with Peking have not led to any improvement in Tirana's relations with Moscow, however. Over the last few years the Soviet Union has discreetly given a number of indications of its interest in better relations with Tirana, particularly on Albania's

[9] See, for instance, the 35,000-word editorial in the *People's Daily*, 1 November 1977, which for the first time since the revival of polemics last July vigorously defended the 'three-world' theory. For a detailed discussion of the article and the Albanian response, see Louis Zanga, 'The Sino-Albanian Ideological Dispute Enters New Phase', *Radio Free Europe Research*, Background Report 222, 15 November 1977.

[10] See, in particular, his speech to the Seventh Party Congress in *Zeri i Popullit*, 2 November 1976.

National Day in November. In fact, shortly before the Seventh Party Congress Brezhnev personally expressed his interest in a normalization of relations in a speech to the October plenum of the CPSU Central Committee in Moscow.[11] This and other such overtures have been categorically rejected by the Albanians, however, and Tirana has continued to vilify Moscow as vehemently as ever.[12] Nor has Albania shown much interest in improving relations with the United States, despite occasional US indications of a desire for better relations such as those given by the US Under-Secretary of State, Kenneth Rush, in April 1973.

The Balkans

The one area where Albania has shown a perceptible interest in better relations has been the Balkans. In the wake of the Soviet invasion of Czechoslovakia, Tirana undertook a concerted campaign to improve relations with most of its Balkan neighbours in an effort to strengthen the bases of its security. Relations with Greece, with which Albania had been in a state of war since the end of the Second World War, were normalized in 1971 and have improved visibly since then. In March 1977, for instance, Albania's Minister of Commerce, Nehdin Hoxha, paid an official visit to Athens to sign a five-year trade accord—becoming the first Albanian Minister to visit Greece since the re-establishment of diplomatic relations—and in July 1977, Albania and Greece announced the opening of an air link between the two countries. Ties with Romania and Turkey have also been strengthened. Relations with Bulgaria, however, continue to be strained because of Sofia's close ties to Moscow.

Yugoslav-Albanian ties witnessed a period of visible improvement in the aftermath of the Soviet invasion of Czechoslovakia, and for a while it looked as if both countries were about to bury age-old differences. The growing rapprochement with Yugoslavia came to a gradual halt, however, in mid-1973—at about the time when the first of a series of sweeping internal purges were launched by Hoxha—and since then Albanian attacks on Yugoslav 'revisionism' have become more frequent and vitriolic. At the Seventh Albanian Congress, for instance, Hoxha sharply criticized a number of aspects of Yugoslav policy, especially its self-management system, and warned that the Albanian Party would 'continue to fight to expose the deceptive nature of the Yugoslav variety of socialism and the danger it represents.' At the same time, he expressed a readiness to improve relations with Belgrade, and even promised that Albania would come to Yugoslavia's aid if it were attacked.

[11] See *Pravda*, 26 October 1976.

[12] In an apparent answer to Brezhnev, Hoxha noted in his speech to the Seventh Party Congress that Albania's attitude towards 'the revisionist Soviet Union, the enemy of Albania' remained unchanged. Premier Mehmet Shehu was even more categorical in rejecting any improvement in relations, noting that 'there is not, and never will be, a wind or storm that will change the course of our ship.' (*Radio Tirana*, 8 November 1976.)

From the Yugoslav point of view, relations with Albania present a special problem because of the large number of Albanians living in Yugoslavia (over one million) most of whom are located in the Kosovo area, close to the Yugoslav-Albanian border. The situation of the Albanian minority in Yugoslavia has improved considerably in the last decade, especially since 1970, and today it enjoys genuine equality with the other nationalities in Yugoslavia. However, beneath the surface latent tensions still exist which could erupt, especially if given encouragement from outside.[13] Belgrade has therefore been keen to avoid any serious deterioration of relations with Tirana lest it complicate the situation in Kosovo and lead to an escalation of nationality tensions which could have repercussions elsewhere in Yugoslavia. Belgrade has stressed the differences between the two countries should not be an impediment to the development of good relations and has suggested an expansion of trade and tourism as a first step towards an overall improvement of relations.[14] As long as Hoxha remains at the head of the Albanian Party, however, there is little chance for any broad rapprochement between the two countries. Any such accommodation would open Albania up to ideological and political 'penetration' and threaten the very basis of the rigidly orthodox internal system that has been one of the main hallmarks of Hoxha's rule.[15]

Moreover, Albania's interest in better Balkan ties has been strictly limited to the bilateral sphere. Tirana declined to participate in the Balkan conference held in Athens in January 1976, and has given no indication of any intention of attending the follow-up conference proposed by Greece. It also refused to attend the Conference on Security and Co-operation in Europe (CSCE) in Helsinki or its sequel in Belgrade last autumn.

Cracks in the monolith

It is not just changes in Albania's external environment that call into question Albania's future orientation; internal changes have also occurred which could have a direct bearing on its course in the years ahead. Since mid-1973 a series of sweeping purges has been carried out

[13] In particular, the Serbian and Montenegrin minorities in Kosovo have displayed resentment towards the growing influence of the Albanian majority because they fear it may lead to discrimination against themselves. See Louis Zanga, 'Jugoslawische Nationalitätenpolitik im Fall Kosovo', *Osteuropa*, July 1975, pp. 503–16.

[14] See Dr J. Brezario, 'Yugoslavia and Albania', *Review of International Affairs* (Belgrade), 5 January 1977, pp. 34–6.

[15] Indeed it is probably no coincidence that the hardening of the Albanian line towards Yugoslavia which began in mid-1973 coincided with the initiation of the purges that have decimated the Party and state bureaucracy. Many of those purged, especially the technocrats, might well have been influenced by the Yugoslav model and hoped that the improvement of relations with Yugoslavia would lead to a slight liberalization of Albania's course.

which has resulted in the removal of almost one-third of the Politburo and nearly the entire top echelon of the state administration.[16] Within the Party the extent and depth of these purges are well illustrated by the fact that over half the members of the Central Committee elected at the Seventh Party Congress in November 1976, and 18 out of 38 candidate members are new.[17] Many of these new members are virtually unknown; they bear watching, however, because they are the ones who will constitute the future leadership of the country as Albania moves into the post-Hoxha era.

Many of the most important changes have occurred in the Ministry of Defence and in the top echelons of the army. The first wave of purges hit the Defence Ministry in the summer of 1974 and resulted in the dismissal of the Defence Minister, Beqir Balluku, who was also a Politburo member, as well as four of his assistants. This was followed in December by a second wave, dismissing the men who had replaced Balluku and those who had been installed the previous summer. More recently, the purges have extended into other branches of the government, particularly in the economic field.

The exact reason for these dismissals, many of which were unannounced, remains unclear. There has been some speculation, however, that Balluku may have favoured improving relations with Moscow—or at least stressed the need to pursue a more balanced foreign policy. Many of the technocrats removed in the latest round of purges would also have been likely to favour an end to Albania's isolation for economic reasons. Consequently, it seems quite conceivable that Hoxha unleashed the purges to eliminate any opposition to his rigidly orthodox policy and to ensure, in particular, that the army remains firmly under party control. The fact that Mehmet Shehu, his trusted associate and heir apparent, took over the Defence portfolio strengthens this view. Indeed, the extent of the purges suggests that they may be part of an 'Albanian Cultural Revolution'—a radical shake-up of the internal apparatus designed to promote self-reliance and increase the country's ability to withstand future external pressures.

As long as Hoxha remains at the head of the Albanian Party, there is little prospect of any basic change in Albania's internal and external policy. Albania, however, like Yugoslavia, is approaching the end of an era. Hoxha is 69, and both he and Shehu, who is 65, are reportedly in bad health. Hoxha's passing from the Albanian scene, therefore, is only a

[16] For a detailed discussion of these purges, see Louis Zanga, 'The Albanian leadership at the crossroads?', *Radio Free Europe Research*, Background Report 232, 6 November 1974, and the same author's 'Changes in Albanian leadership signify struggle for succession to power,' *Radio Free Europe Research*, Background Report 161, 24 November 1975.

[17] See Louis Zanga, 'The Congress of the Great Purge', *Radio Free Europe Research*, Background Report 230, 9 November 1976.

matter of time, and the dismissals may be the first tremors of a succession struggle. Were a succession crisis to occur, it could spark a revival of regional rivalries and clan politics, leading to factionalism reminiscent of the late 1940s.

One of the dangers of any succession crisis is that it could encourage the Soviet Union to attempt to regain its influence in Albania—particularly if such a crisis coincided with instability in Yugoslavia. The Soviet leadership has followed recent developments in Peking and Tirana—not to mention Belgrade—with considerable interest, and the increasing differences between Albania and China have by no means gone unnoticed.[18] It is likely therefore that Moscow may intensify its efforts to exploit the growing Chinese-Albanian differences in order to try to improve its relations with Tirana.

The chances of a significant improvement in Soviet-Albanian relations in the near future are slight however—at least as long as Hoxha remains in power. There is little evidence of any strong pro-Soviet sentiment within the Albanian Party, and memories of Soviet actions at the time of the Albanian-Soviet break in 1961 are kept constantly alive through propaganda. However, it is noteworthy that during the most recent round of purges, in May 1976, Hoxha explicitly mentioned the existence of 'enemies and revisionists who opposed the Party line' and who wanted 'to bind our country to the Soviet revisionists.'[19] Were a pro-Soviet faction to emerge in any succession struggle, it could stimulate Moscow to reassert its hegemony not only in Albania but throughout the Balkans. In particular, Moscow would be likely to press for a restoration of port facilities at Valona, which it was forced to give up at the time of the Albanian-Soviet rift in 1961. This would increase the mobility of the Soviet Mediterranean fleet and could affect the strategic balance in the Balkan–Mediterranean area.

Much will depend upon the character of the post-Hoxha leadership, about which little is known. While it is not inconceivable that a new and younger Albanian leadership might decide to pursue a more vigorous opening to the West, the prospects of such a development are remote. The younger generation has grown up in almost total isolation from the West, and its only real communication with the outside world has been with China. Moreover, centuries of conflicts with their neighbours have ingrained in most Albanians a strong sense of xenophobia and nationalism. Yet the question remains whether considerations of national security and economic development will not force the post-Hoxha leadership to reassess the traditional bases of its foreign and domestic policy and abandon at least some of its most anachronistic features.

[18] The Soviet Union was quick to call attention to Albanian attacks on China's 'three world theory', which it sought to portray as proof of the bankruptcy of Peking's policies. *Pravda*, 16 July 1977.

[19] *Zeri i Popullit*, 2 May 1976.

The Janata Government and the Soviet connexion

R. V. R. CHANDRASEKHARA RAO

Mrs Gandhi's successors have endorsed her Soviet policy but have added their characteristic stamp.

IT is nearly a year since the new Indian Government came to power after a spectacular electoral triumph over the Congress Party which until then had looked invincible under Mrs Indira Gandhi's leadership.[1] The outside world has been watching with interest the shape which Indian foreign policy would take under the new regime, but the Janata Government has surprised many who expected significant departures in India's foreign policy after its coming to power. This article analyses the trends in current Indian policy towards the Soviet Union with a view to spotlighting any apparent modifications.

On assuming office the Janata Party Government made it clear that there would be no far-reaching changes in foreign policy. Although the Prime Minister, Mr Morarji Desai, and the Foreign Minister, Mr Atal Behari Vajpayee, gave assurances that, unlike under Mrs Gandhi's regime, India's non-alignment would henceforth be 'true', 'real' and 'genuine', these appeared to be more routine statements than considered policy announcements.

The real test came with the Government's handling of the Indo-Soviet relationship. From the point of view of prevailing perspectives, it was thought that the new Government would be distinctly cooler towards the Soviet Union. It was a matter of record that in the past a section of the present membership of the Janata Party had been consistently critical of the trends in Indo-Soviet relations under the previous regime. Especially the former Jana Sangh and the Swatantra groups had been vehement in their criticism of the Indo-Soviet Treaty of Peace, Friendship and Co-operation (signed in 1971). Mr Morarji Desai himself had lent weight to this line of thinking when, immediately after assuming office, he stated that he was personally opposed to the Treaty;[2] the latter would lie

[1] See W. H. Morris-Jones, 'India discards dictatorship', *The World Today*, May 1977.

[2] *The Hindu* (Madras), 16 March 1977.

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dormant, he said, and would not be allowed to stand in the way of India's relations with other countries.

The main constituents of the Janata Party had been particularly suspicious of the Indian Communist Party and its ideological and organic links with the Soviet Union. In fact, a good deal of the prejudice that the liberal democratic parties entertain towards Moscow is traceable to their aversion towards the Indian Communist Party. This aversion was confirmed and reinforced because of the unqualified support that the Communist Party of India gave to Mrs Indira Gandhi during almost the entire period of her Prime Ministership. The Communists' total endorsement of her decision to proclaim the Emergency in June 1975 and of her subsequent policies was regarded as particularly opportunistic and reprehensible by all the other opposition parties. Even though Mrs Gandhi, to be fair to her, kept the Communist Party at some distance, the latter consistently exercised critical influence over crucial matters. This was made possible through the coming into prominence within the Congress Party of individuals with a reputation of being close to the Communist Party. Thus many critics believed that part of the inspiration for the pro-Soviet orientation in India's foreign policy came from the Communist Party of India and the pro-Communist elements within the Congress Party. No doubt, Indo-Soviet friendship under Mrs Gandhi put the Communist Party of India itself at some disadvantage in the sense that the Soviet Union's repeated endorsement of Mrs Gandhi's policies embarrassed the Indian Communists. Indeed, the latter felt that Moscow had not been giving them their due importance. This, however, did not prevent the Communist Party of India from acquiring an influence over the Government totally inappropriate to its designation as an 'opposition party'. It was this role that particularly enraged the other opposition parties and fed their suspicions of creeping Soviet influence in the internal workings of the Indian political system.

The Communist Party of India, for its part, continued to be virulent in its denunciation of the so-called rightist reactionaries on the one hand and adventurist radicals on the other. Even though it became anxious about the rise to prominence of Mrs Gandhi's son and his coterie during the Emergency and started criticizing this trend, in general it reconciled itself to extending support to the Prime Minister (who delivered a scathing attack against the Party for its audacity to protest against the influence of her son). For the March elections, the Communist Party of India and the Congress entered into electoral adjustments in some states; where they did not, the Communists openly canvassed on the basis that voters who were not prepared to vote for them should vote for the Congress.

The implacable hostility between the Communist Party of India and the parties of the Janata coalition was not due only to the fact that the

Janata consisted of parties like the Old Congress, Swatantra and the Jana Sangh, all of which had a reputation for rightist ideology. It is important to note that the strongly leftist-oriented components of the Janata—like the Socialist Party, the Praja Socialist Party and particularly individual leaders who broke away from Mrs Gandhi and joined the Janata during the Emergency—were extremely suspicious of the Communist Party, though not of the Soviet link itself. Similarly, the leftist 'Marxist' wing of the Communist movement was highly critical of the official Communist Party and had many misgivings about the implications of Indo-Soviet relations. One of its leaders, Mr E. M. S. Nambudiripad, for instance, recently referred to the distortions which the Soviet connexion had caused in the Indian political system.[3]

Thus ideological and other factors seemed to lend weight to the prediction that the new Janata Government would proceed to a radical reappraisal of the Indo-Soviet relationship.

The Gromyko visit

The Soviet Union itself appeared to be diffident about its locus standi vis-à-vis the Janata Party. In the past, it had eulogized the Congress Party and Mrs Gandhi's Government and had been the first foreign government to endorse publicly Mrs Gandhi's imposition of the Emergency in June 1975 and to criticize repeatedly the non-Communist opposition in India. After the announcement of the elections in India, the Soviet press roundly condemned the formation of the Janata alliance as a conspiracy of the rightist forces.[4] With all this to its 'credit', it was no surprise that Moscow should have felt embarrassed about its approach to the new Government in Delhi.

However, the visit of the Soviet Foreign Minister, Mr Gromyko, to Delhi in April 1977 was used to sound out the new Government and to mend fences with it. The response of the Indian Government was cordial—indeed, too cordial for certain sections of the Party who were unhappy at the very invitation extended to Moscow. The former Jana Singh member, Dr Subrahmanyam Swamy, was so critical that he threatened to stage a 'go back Gromyko' demonstration. Yet the visit took place, with New Delhi assuring Mr Gromyko that it valued the Soviet connexion as dearly as its predecessor. Mr Vajpayee said on the occasion:

> We appreciate the help that the Soviet Union has given us to industrialize our country and to make us self-reliant. We are also grateful for their consistent and principled support in our difficult times. We remember all this and we shall continue to value our friendship with you.[5]

[3] *The Times of India* (Bombay), 24 November 1977.
[4] *ibid.*, 22 February 1977. [5] *ibid.*, 28 April 1977.

If the decision to receive Mr Gromyko was indicative of a willing suspension of judgment on the part of the new Indian Government, the visit itself appears to have led to the shedding of prejudices and to an appreciation of the realities underlying the Indo-Soviet relationship. That this visit was crucial in enabling the Janata Government to make up its mind about the Soviet connexion was later confirmed by both the Indian Prime Minister and the Foreign Minister. Speaking in Moscow last October, Mr Morarji Desai stated that

> soon after my government assumed office, we were happy to receive Mr Andrei Gromyko . . . in Delhi. True to the principles of peaceful co-existence, we readily discovered that not only was our friendship firm and our co-operation secure, but we could, with confidence, look ahead to improve our relations in the future.[6]

Mr Vajpayee also confirmed that 'the visit to India in April this year of the Soviet Foreign Minister . . . revealed a convergence of views of the two sides.'[7]

Security and economic links

The justification offered by the new Indian Government for continuing the relationship with the Soviet Union on its existing level reveals the extent of the change that has come over the Janata leaders in their new roles. On the occasion of Mr Gromyko's visit, the Foreign Minister said that in the changing international situation over the years the friendship between India and the Soviet Union had remained a constant factor for peace and stability in Asia and the world.[8] Similarly the new Education Minister, Mr Pratap Chandra Chunder, stated at a conference dealing with Indo-Soviet collaboration in social science research that 'Largely, our experience has been that the Soviet Union has been a good and understanding friend for the last three decades of our independence.'[9] The recurring theme that the Indo-Soviet Treaty serves India's national and security interests, which fully accords with the rationale given by Mrs Gandhi's regime, suggests that the Janata Government is also impressed with the security implications of the relationship. Since the Indo-Pakistani war of 1971, it has been the common belief of Indian public opinion that the Soviet Union provided a crucial security backing for India against both possible American support for Pakistan and the more probable Chinese intervention on its behalf. It is this interpretation of Moscow's role that led to the popularization of the image of 'a friend in need'. The Janata Party seems to be as convinced of its reality as the Congress Party.

The stress on the security aspect of the Indo-Soviet relationship does not relate only to a contingency protective action in the event of a Chinese

[6] *The Hindu*, 26 October 1977. [7] *ibid.*, 3 November 1977.
[8] *The Times of India*, 28 April 1977. [9] *The Hindu*, 17 April 1977.

: into India. The Soviet contribution to recent Indian defence deve-
ient has been crucial, especially in the naval field. Though at the same
India has pursued a policy aimed at self-sufficiency on the basis of
;enous manufacture, the fact remains that for critical weaponry and
ing for its Navy India depends largely on the Soviet Union. While
ioviet contribution to Indian naval expansion has been evident since
ite 1960s, there has been an appreciable increase during the last few
i. From 1974 to 1977, India acquired four more submarines and
: than 10 fast-going frigates in addition to several Soviet patrol boats
ble of long-range operations.[10]
ie economic aspect of the Indo-Soviet relationship has itself created
ted interest in the continuance of the connexion. Indo-Soviet trade
tered a fourfold increase during the last decade and will cross the
) m. mark this year, an increase of 20 per cent over last year. Within
months of the formation of the Janata Government, four new agree-
ts on economic co-operation were signed and the Soviet Union had
ided credit totalling Rubles 250 m. Of special importance is the fact
for the first time Moscow offered a million tonnes of oil for the cur-
year. When visiting the Soviet Union, the Indian Prime Minister
d that 'There are more than 50 important projects in India which
symbols of Indo-Soviet friendship and co-operation.' India's
igious steel mills at Bokaro are based on Soviet design and tech-
gy and, despite some expectation that the new Government would
or the import of Western know-how for certain parts of the Bokaro
t, New Delhi has decided to maintain the status quo. It is also of some
ficance that the Indo-Soviet Joint Commission has been upgraded
higher level of representation by the New Government: where
iously India was represented by the Deputy Chairman of the Plan-
Commission and Russia by a senior member of the Communist
r, now India's Foreign Minister and a Soviet Deputy Prime Minister
serve as the Commission's Co-Chairmen.

)esai in Moscow

hile the above facts explain the forces that continue to shape the
ionship, the visit of the Indian Prime Minister to Moscow last
ber was indicative of a new attitude to the Soviet Union: it was as
h a confirmation of the old Indo-Soviet connexion as it was sug-
ve of India's anxiety to give a new orientation to the relationship.
irring Mr Desai's visit to London to attend the Commonwealth
ls of Governments Conference in June 1977 and a stop in Paris on
vay back, the Moscow visit was the first undertaken by the Indian
ie Minister to a foreign country. Mr Desai himself thought it appro-

The Military Balance for the years 1974–5 to 1977–8, International Institute
trategic Studies, London.

priate to stress this fact to his hosts in Moscow.[11] The visit had established 'a personal understanding' between the Indian Prime Minister and the Soviet leadership which, in Mr Desai's words, 'will surely reinforce the friendship between our nations'. Mr Desai's commitment to the Indo-Soviet relationship was unequivocal: 'The preservation and continuance in today's circumstances of this relationship is a tribute to the maturity of two proud nations who recognized the imperative of peaceful co-existence,'[12] he said. He also handsomely acknowledged India's gratitude for 'the consistent support extended by the Soviet Union to us on questions of vital concern to India'; Soviet co-operation had enabled India 'to progress towards economic self-reliance and emerge amongst the more important industrialized nations of the world'.[13] But while voicing the hope that the two countries would enlarge this mutually beneficial co-operation further, the Indian Prime Minister was also at pains to underscore his country's independence.

Indeed, Mr Desai adroitly made use of his reputation for candour in order to bring home to his hosts that India and the Soviet Union had divergent commitments as far as internal political structures are concerned. Congratulating the Russians on the 60th anniversary of the October Revolution, Mr Desai, while describing this as an epoch-making event in history, highlighted the fact that 1977 was a historic landmark for India too:

> In keeping with our Constitution, a party, which was in office for 30 years, was rejected by the people, and we, of a new party, were entrusted with the great responsibility of governance of our land. This too was a revolution, but through the secrecy of the ballot box... It will remain a monument to the will and maturity of the Indian people and for ever constitute a warning to any leader who presumes to take the people for granted.[14]

The implication of a fundamental difference in the historic occasion celebrated by India and the Soviet Union was clearly drawn.

A similar nuance was discernible in the conduct of the negotiations in Moscow. Observers noticed the conspicuous absence of any reference to India's internal situation during the talks. In the past such talks invariably were accompanied by Russian compliments to Mrs Gandhi for her fight against reaction at home. Thus, during Mrs Gandhi's Moscow visit in June 1976, Mr Brezhnev went as far as to congratulate her for 'the firm and decisive steps she has taken to thwart the efforts of domestic and external reaction'.[15] The Indian Congress leaders were not slow in turn-

[11] *The Hindu*, 26 October 1977. [12] *ibid.*, 22 October 1977.
[13] *ibid.* [14] *ibid.*
[15] Quoted in Dileep Padgoankar's article, 'Mr Desai's Soviet Visit', *The Times of India*, 31 October 1977.

ing the compliment by asserting that Soviet technical and economic assistance had the direct effect of helping them to defeat 'reaction at home'. In striking contrast, there was no reference to India's internal political situation during Mr Desai's visit. In one of his speeches, the Indian Prime Minister made it clear that the Indo-Soviet ties were 'not based on personalities or ideologies, but on equality, national interests and enlightened common purposes'.[16]

It is evident that the Soviet leadership has also been willing to accommodate itself to the sensitivities of the Indian Government. There have been no major instances of disagreement in the Moscow talks. However, what is interesting, even if a little amusing, is Moscow's attempt to underplay its past reading of the Indian situation. At a recent seminar in Delhi, two Soviet scholars made a startling claim that their country had never backed the Emergency in India. Though 'the claim is too absurd for words',[17] it may still be taken as proof of the belated realization by Soviet scholars that their assessments of Indian developments in recent years have been inaccurate. These scholars have also been trying to give tacit support to the Janata Government's new economic policy by laying the emphasis on agriculture and even pleading for more Soviet help for India's agricultural development.

Though India has been reluctant to discuss with the Soviet Union the state of its relations with China, the China factor obviously weighs heavily in India's evaluation of the Indo-Soviet relationship. After all, China is still in occupation of Indian territory and for a coalition like the Janata Party, some of whose constituents are highly nationalistic in their make-up, this factor cannot but be a sensitive one. It is not without significance that so far the new Government has scrupulously refrained from taking any initiatives with regard to China, insisting that Peking should make the first move.

Despite the Janata Government's endorsement of the Indo-Soviet relationship, there is some evidence of the down-grading of the symbolic significance of the Indo-Soviet Treaty. It is noteworthy that during the Moscow talks the Indian leaders rarely referred to the Treaty itself. This seems to confirm the interpretation given in usually well-informed circles that the Indian Government is insisting that it is a distortion to base Indo-Soviet relations on the Treaty alone and that the Treaty is no more than a symbol of decades of cordial Indo-Soviet relations. The Soviet Union has apparently agreed to this subtle change in the understanding of the relationship.[18]

[16] *The Hindu*, 22 October 1977.

[17] Editorial, *The Times of India*, 26 November 1977.

[18] Dileep Padgoankar, *op. cit.* It is significant that immediately after his return from Moscow Mr Desai categorically stated that 'there was no question of India having special relations with any country'. *The Statesman*, 29 October 1977.

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Note of the month

MR BEGIN'S PEACE PLAN: THE DOMESTIC REACTION

THE controversial debate that has once again erupted over the future of Israeli settlements beyond the 'Green Line' (the 1948–9 ceasefire lines that served as Israel's de facto boundaries until the Six-Day War) has developed into a complicated domestic political issue since the Israeli Prime Minister, Mr Begin, presented before the Knesset on 29 December the major points of his Government's proposal for a comprehensive peace settlement with the Arabs.

A more careful study of Begin's statements about the Arab-Israeli conflict since his becoming Prime Minister seven months ago is likely to reveal a remarkable adaptation in his historical thinking about Jewish-Arab coexistence since the idea of a bi-national state first arose in the former Turkish province of Palestine; he has repeatedly referred to the Jews and Arabs of *Eretz Yisrael*, to their common suffering, first under the Turks and then under the British, and to the necessity for their mutual coexistence on the same territory.

Israel's peace plan, as it has been publicly announced in Israel by Mr Begin himself, appears to be based upon what has been coined as the 'functional approach' to resolving the Arab-Israeli conflict. It claims that the historic lands of *Eretz Yisrael* belong by right to the Jewish people. These have already once been territorially partitioned by the creation of the Jordanian Hashemite state east of the Jordan River. The 'functional approach' rejects the notion that an additional territorial partition can be viably effected west of the Jordan River as a satisfactory solution to the current Israeli-Palestinian conflict. It is held that the creation of a third state over the territories of Judea, Samaria and Gaza, granting the Arabs west of the Jordan the full right of self-determination, would carry the strategic risk that the uneasy Arab-Jewish relations would attract outside imperialist interests that would threaten the peace and stability of all the states in the region.

None the less, the right to internal self-rule of the Palestinian Arab population in the West Bank is formally recognized in the Israeli peace plan. The Israel Government proposes to abolish its military rule over the West Bank and the Gaza Strip and to replace it by a system of local autonomy exercised by indigenous Arab councils with sole responsibility over the management of day-to-day affairs. The question of national

sovereignty over Judea, Samaria and Gaza would be left pending for the undefined future with an option for the parties to the agreement to review the situation five years after the conclusion of the agreement. Meanwhile, the Israeli defence forces would retain their military presence on the Jordan River, maintain responsibility for the defence of the area and for law and order. Israel would retain the right to establish Jewish settlements in all the territories which would be legally and administratively linked to the state of Israel through locally elected Jewish councils. The indigenous Arab population would have the option of acquiring Jordanian citizenship, and if they rejected Jordanian citizenship that of seeking Israeli citizenship. As Israelis see it, such a political system could provide the co-operative framework for a Jewish-Arab confederation in *Eretz Yisrael*, including Israel, the autonomous Arab councils west of the Jordan and the adjacent state of Jordan.

Under the proposed arrangements for Sinai, the entire desert to the former international boundary running from Eilat to Rafiah would be returned to Egyptian sovereignty; northern Sinai to the Mitla and Gidi Passes would be demilitarized by the stationing of UN forces to supervise the peace. Ofira (Sharm-el-Sheikh) and the Pitchat Rafiah area would remain permanent Israeli settlements on Egyptian territory, administratively connected through Jewish municipalities to the state of Israel and defended (in the original version) by Israeli ground forces.

Following the 10-hour debate in the Knesset on the Israeli Government's peace plan, a wave of protest swept the settlements. Hundreds of settlers from Pitchat Rafiah, Ofira, the Jordan Valley, Golan, Judea, Samaria and Gaza assembled in Jerusalem outside the Prime Minister's office on 30 December for a 'Demonstration of Anxiety' over the Government's real intentions with respect to all Israeli settlements beyond the Green Line. With full newspaper coverage they proclaimed that they would refuse to live under Arab sovereignty and that they would oppose all moves for their removal if they found themselves outside the borders of Israel. The Knesset debate on the Government's plan also revealed serious divisions between the Prime Minister and members of his own Herut Party, who articulated many of the doubts and criticisms expressed by the settlers.

Mr Begin apparently had not realized that the pace of secret diplomatic negotiations with Egypt had not been matched by his credibility with the politically varied Israeli settlements movement. He was annoyed by Gush Emunim's hostile criticisms of his plan and personally offended by their lack of faith in his promises to them and loss of confidence in his ability to uphold their common principles—which, he said, were 'very close to [his] heart'—in his negotiations with the Egyptian Government.

The previous Labour Government had diverted sizeable national resources into establishing a belt of Israeli civilian settlements between

Sharm-el-Sheikh and Eilat. These were designed to provide an Israeli land corridor along the length of the Gulf of Eilat for the purpose of defending Israel's international right to free passage through the Tiran Straits into the Red Sea. Pitchat Rafiah had been settled with the purpose of separating the dense Arab population of the Gaza Strip from Egypt in Sinai, should Israel in the future transfer Sinai to Egyptian sovereignty. A dense Israeli civilian presence astride the former international boundary protected by a locally based Israeli military force would provide a forward buffer against a future Egyptian attack upon Israel's principal coastal population.

In its proposed peace arrangements, the Likud Government sought to obtain Egypt's recognition of Israel's strategic interests at Sharm-el-Sheikh and Pitchat Rafiah in exchange for Israel's recognition of Egyptian sovereignty over the whole of Sinai, including the territory on which Israeli settlements were to remain.

The settlers were sceptical. They felt that the Israeli Government had abandoned them and that the face-saving arrangements announced by Begin in the Knesset would be further negotiable. Indeed, despite some arguments to the contrary in Israel,[1] Israeli recognition of Egyptian sovereignty over the whole of Sinai would seem to be incompatible with a continued Israeli presence in Sharm-el-Sheikh and Pitchat Rafiah, and it was unrealistic of Israel to believe that Egypt would accept serious limitations on its presence in an area in which it was supposed to acquire a predominant position.

In general, the Government's commitment to retaining the two Sinai settlements was not really doubted in Israel; yet, because of the contradictory nature of its proposals for the Sinai settlement, the plan created an explosive situation. On 1 January, Moshe Dayan and Ariel Sharon flew to Saddot in Pitchat Rafiah to reassure the angry settlers that the Government would not abandon them. Some days later, after Sadat flatly rejected an amended Israeli proposal to retain the Israeli settlements with UN forces, Begin himself declared that if Egypt actually rejected Israel's terms, the Israeli Government 'would feel legally justified in cancelling its proposals and making unilateral territorial adjustments in accordance with international law governing territories taken in a war of self-defence'.

The Israeli proposals on Sinai had come dangerously close to being a diplomatic blunder. Israel had made a mistake in granting Egypt full sovereignty over the whole of Sinai. Rather, as Mr Abba Eban suggested in *Maariv* on 6 January, Begin should have proposed UN arrangements or (as was in fact later suggested) a joint Israel–Egypt force at Sharm-el-Sheikh and an offer to trade an appropriate piece of territory in the

[1] For example, Yosef Charif in a commentary entitled 'Begin and Dayan are Co-ordinated with Sadat', *Maariv*, 6 January 1978.

Southern Negev–Sinai border in exchange for the Israeli settlements established in Pitchat Rafiah.

With respect to the Golan Heights, the Israeli Government has not yet offered its proposals for settling the conflict with Syria, while the Syrian Government has joined the Arab rejectionist bloc opposed to the Israel–Egypt Sinai negotiations. Until such time as Syria decides that it is ready to negotiate peaceful relations with Israel, Israeli settlements in the Golan are likely to remain.

In the case of the Israeli settlements on the West Bank and the Gaza Strip, the principle of territorial sovereignty is not to be applied and the Arab populations in these territories will not be granted self-determination. Nevertheless, Israeli settlers in the West Bank and the Gaza Strip feared that the Government with its experiments in renewed Arab-Jewish coexistence was ditching its Zionist principles and creating the political conditions for the day when Arab autonomy would be transformed into Arab self-determination and Jewish settlements in these areas would be abandoned. They had already built up a stock of grudges against the Begin Government which they helped to put into power in the June 1977 elections, believing at the time that Begin would impose Israeli sovereignty on Yehuda, Shomron and Gaza and provide massive government assistance to a large-scale movement of Jewish settlement in these Arab-populated lands. The NRP Ministers in the coalition, Dr Yosef Burg, Zevulon Hammer and Aharon Abu-Hatzeira, found it necessary to attend Gush Emunim protest rallies at Kiryat Arba (Hebron) and Kfar Etzion to explain that the new administrative arrangements being proposed by the Govenment would enable Israel to pursue its interests in these territories and leave existing Jewish settlements no worse off than at present; they would remain part of the Jewish state governed by Israeli law.

Whether Gush Emunim's claims are correct depends upon the agreement reached between Israel, the Palestinians and Jordan if and when negotiations begin between these three parties. It is clear, though, that Israel's 10-year-old strategic settlements policy has been given a dramatic shake-up.

YEHONATHAN TOMMER

Carter's détente policy: change or continuity?

GEBHARD SCHWEIGLER

Two issues have determined American foreign policy and thus international politics since Jimmy Carter became President of the United States: détente in general and human rights in particular. While it was more than evident that in its early days the new Administration tried hard to give at least the appearance of drastic departures from established policies in all areas of the world, in reality these changes proved to be minor or short-lived.[1] Only in its relations with the Soviet Union did the Carter Administration set out to pursue policies in marked contrast to those of the previous administration. The emphasis on human rights with its apparent focus on the Soviet Union contributed not only to a deterioration of American-Soviet relations, which in turn threatened détente, but also to some serious strains in the relations with America's major allies in Europe. Carter's 'linkage politics' of a new and more extensive kind appeared to reflect deeply rooted changes in American foreign policy. What were the motives behind these changes? And how far-reaching are they in fact?

The old policy was, in essence, Henry Kissinger's. His goal had been to overcome the stagnation of the Cold War through a 'New Look' policy[2] designed to reach a 'more constructive relationship' with the Soviet Union. This relationship was to be based on the recognition that under conditions of nuclear parity neither side 'can expect to impose its will on the other without running an intolerable risk'. International stability was the necessary precondition; but it could not be reached 'unless both the Soviet Union and the United States conduct themselves with restraint and unless they use their enormous power for the benefit of mankind'. In order to reach that goal Kissinger sought to involve the Soviet Union in a network of political, economic and cultural relations, interconnected by means of 'linkages', thus providing a balance of bene-

[1] So argues J. L. S. Girling, 'Carter's foreign policy: realism or ideology?', *The World Today*, November 1977, pp. 417–24.

[2] See Simon Serfaty, 'The Kissinger legacy: old obsessions and New Look', *The World Today*, March 1977, pp. 81–9.

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s; for 'the most constructive international relationships are those in ɪich both parties perceive an element of gain.'[3]

The only element explicitly excluded from this long-term international .rgain between the Soviet Union and the United States was Soviet conssions in domestic politics. As Kissinger argued, any attempt to seek change in Soviet domestic affairs would pose a threat to détente and us risk peace itself: 'Where the age-old antagonism between freedom d tyranny is concerned, we are not neutral. But other imperatives ıpose limits on our ability to produce internal changes in foreign counes. Consciousness of our limits is recognition of the necessity of peace— ıt moral callousness. The preservation of human life and human society e moral values, too.'[4] He fought vehemently against the 'temptation to mbine détente with increasing pressure on the Soviet Union', for 'such attitude would be disastrous. . . We will finally wind up again with the ɔld War and fail to achieve either peace or any humane goal.'[5] Humaniɪian goals of a limited nature were pursued by Kissinger behind the ɜnes, with some success. But more far-reaching changes within the ıviet system were, according to Kissinger, neither possible nor a proper al for US policy: 'they are most likely to develop through an evolution at can best go forward in an environment of decreasing international ɪsion.'[6]

Kissinger's all too openly displayed efforts to exclude the issue of ıman rights from Soviet-American relations in general—a low point ıs his refusal for the exiled Soviet writer, Alexander Solzhenitsyn, to ɪit the White House—proved to be counter-productive. Congress ught to circumvent such efforts through means at its disposal—such as e Jackson-Vanik Amendment—that established a linkage between ıviet concessions on human rights and American concessions on trade. ɔngress's failure seemed to prove Kissinger's point, but significant ɪrtions of the American public drew a different lesson. Domestic arguɜnts over détente became more heated and in the process circumɾibed American détente policies even more. As it turned out, the 'grand rgain' envisaged by Kissinger—'international Soviet moderation in change for American acceptance of the Soviet Union as an equal rtner in preserving world order'[7]—was fragile, both domestically and ternationally.

Kissinger's attempts to rescue the situation not only proved futile but ɪo fuelled the anti-détente mood of the American public. Angola owed, as he frequently pointed out, that the Soviet Union did not stick

[3] Henry Kissinger, 'The Process of Détente. Statement Delivered to the nate Foreign Relations Committee, September 19, 1974', in Henry A. Kissin-r, *American Foreign Policy*, 3rd ed. (New York: Norton, 1977), pp. 144–5.
[4] *ibid.*, p. 145. [5] *ibid.*, p. 169. [6] *ibid.*, p. 173.
[7] Seyom Brown, 'A cooling-off period for US-Soviet relations', *Foreign licy*, Fall 1977, p. 9.

to the bargain, yet his efforts to oppose the Soviet move into Angola were thwarted by a Congress that wanted no more Vietnams. His basic point, though, remained in the public debate. The Vladivostok agreements[8] led to controversy on both sides of the political spectrum and could, in any case, not be consumed in a SALT II treaty. The negotiations about mutual force reductions (MBFR), agreed to by the Soviet Union only after linking them with American acceptance of the Conference on European Security and Co-operation (CSCE), got balked down in a number-guessing game. In the context of the CSCE itself, finally, President Ford began to speak out more forcefully on human rights, a move that had the effect of only increasing the level of public debate about the need for stronger American policies. In the end, Stanley Hoffmann was proved right and Kissinger wrong: the internationally aimed-for balance of power did not balance at home.[9] This basic dilemma of the American approach to détente was left by Ford and Kissinger to their successors.

These were well aware of the dilemma. And they had prepared for it. In contrast to prevailing opinion, Jimmy Carter and his foreign policy adviser, Zbigniew Brzezinski, had worked out alternative approaches well before Carter's election. They proceeded to put them into action with a determination, at least for a while, that was astounding.

Brzezinski rejected Kissinger's basic premise that the alternative to détente would be nuclear war; the Soviet Union would be deterred regardless of the state of Soviet-American relations. In his view, reducing the alternatives to détente or war meant a reduction of America's freedom of manœuvre: 'If you predicate your entire foreign policy on the assumption that any determined move you make in American-Soviet relations is fraught with the dangers of nuclear war, you are, in fact, declaring yourself unequal to the game Moscow is playing.'[10] Asked what he would do differently, Brzezinski indicated that he wanted to play Moscow's game, linkage politics in a larger context: 'If I were in Kissinger's position . . . I would do more in demanding that the Russians accept the kind of conditions we have built into Basket Three. I would insist on reciprocity, pressing more rigorously for what Kissinger has recently also stressed as being important: the linkage of the economic, political, strategic, and cultural elements of détente.'[11]

According to Brzezinski, Kissinger's détente policy was 'highly compartmentalized and essentially static, even conservative', and worse: he accused Nixon and Kissinger of having 'elevated amorality to the level

[8] See Richard Burt, 'SALT after Vladivostok', *The World Today*, February 1975.

[9] Stanley Hoffmann, 'Will the balance balance at home?', *Foreign Policy*, Summer 1972.

[10] Zbigniew Brzezinski, 'From Cold War to cold peace', in G. R. Urban (Ed.), *Détente* (London: Temple Smith, 1976), p. 269. Brzezinski's remarks were made in the course of an interview with Mr Urban for Radio Free Europe in late 1975.

[11] *ibid.*, p. 265.

of principle'.[12] In his view, any 'structure of peace' was an illusion that needed to be replaced through a much wider range of reciprocal relations. Among the demands he raised were an end to ideological hostilities ('This contradicts the spirit of détente and is a threat to it') and an end to Soviet violations of human rights, if only for domestic American reasons ('The Soviet disregard of human rights outrages a significant section of the American electorate and thereby complicates and exacerbates Soviet-American relations'[13]).

Brzezinski left no doubt that his definition of détente implied substantial changes within the Soviet Union: 'If détente is to become more than a transient and fundamentally unstable relationship, it will have to be much more comprehensive than it is envisaged to be at the present, and that means a possibly gradual but nevertheless fundamental change in Soviet positions at home and abroad.'[14] Such a challenge to the Soviet Union could be successful only if Soviet military superiority could be prevented and if it were supported by a domestic consensus that reflected fundamental American values. In order to deal with the Soviet Union, America's moral authority had to be re-established; and that could be achieved only by dealing with the Soviet Union. In that contradiction lay the seeds of Carter's own foreign policy dilemma.

'Only America has the power to shape a hostile world for itself,' Brzezinski had written in a tribute to the Bicentennial.[15] His goal was to engage in that architectural effort, which carried the implication that the Soviet-American relationship was no longer the predominant one for the United States; a more comprehensive world-wide approach was now called for. Jimmy Carter made this approach his own during the election campaign.[16] But he went even further: he tried to put it into practice once in office. And that, surprisingly, created surprise, confusion and conflicts.

The fact that President Carter would try to implement his campaign promises in the one area where it seemed easiest to do so—in foreign policy—need not have come as a surprise. Carter had conducted his campaign as a kind of saviour who would rid 'Washington' of its amorality and bring truth and openness to bear. This promise constituted his original appeal, but also created doubts about his sincerity. In order to get a hold of the reins of government, particularly as a newcomer in Washington, he had to try to carry out his most important promises. Had he acted differently, America would have been without political leadership. The dynamics of the election campaign and the take-over of government had created a strong domestic linkage between human rights and détente.

[12] *ibid.*, p. 268. [13] *ibid.*, p. 270. [14] *ibid.*, p. 264f.

[15] Zbigniew Brzezinski, 'America in a hostile world', *Foreign Policy*, Summer 1976.

[16] See Carter's speech of 23 June 1976 to the Foreign Policy Association in New York, which was written largely by Brzezinski.

There were others. Without doubt Carter himself, because of his own background and experiences, is deeply committed to the cause of human rights. But his commitment is universal: human rights must be observed everywhere, even in allied nations and indeed within the United States itself. The domestic linkage between the emphasis on human rights abroad and at home cannot be overestimated. By preaching human rights abroad, Carter gains legitimacy for implementing human rights measures at home, and vice versa: re-establishing a sense of moral authority at home allows him to present America as a model abroad with more credibility.

After Vietnam and Watergate America the model appeared to have lost much of its glamour. The American public reacted to this loss of glamour with the determination to re-create it, which meant a renewed emphasis on domestic affairs and implied a more sober attitude towards getting involved abroad (where the model's glamour could get tarnished in quagmires of all sorts). Contrary to some interpretations, this was not a return to isolationism, but at most a return to more nationalistic ways of thinking.[17] The human rights issue fits well into this prevailing mood of less *Realpolitik* and more *Moralpolitik*. The degree to which human rights were respected in other countries could serve as a yardstick by which America could measure its support, and thus reduce its involvement abroad. Relations with South Korea, the Philippines and certain Latin American countries initially proved the point.

While personal and political motives may have propelled Carter in his human rights policy, Congress helped push, in various ways. Although the argument that Carter's policy must be understood above all as a concession to conservative and militaristic elements[18] seems a vast overstatement, there can be no doubt that it did have the effect of pre-empting attacks from the right. Thus it is quite likely that without some sort of human rights policy Carter would not have been able to pursue any kind of policy of détente.

As a reaction to the 'imperial presidencies'[19] of Johnson and Nixon, Congress has succeeded in regaining positions of power which severely constrain any President. Not only must a President deal with powerful opponents on an individual basis; he is also bound by an increasing number of legal restrictions imposed by an independent-minded Congress. Congress, in fact, had begun to tie respect for human rights to American support long before Carter.[20]

[17] See William Watts and Lloyd A. Free, 'Nationalism, not isolationism', *Foreign Policy*, Fall 1976.

[18] So argues Ernst-Otto Czempiel, 'Die Vereinigten Staaten von Amerika und die Entspannung', *Das Parlament* (*Aus Politik und Zeitgeschichte*), 17 September 1977.

[19] See Arthur M. Schlesinger, *The Imperial Presidency* (Boston: Houghton Mifflin, 1973).

[20] See G. D. Loescher, 'US human rights policy and international financial institutions', *The World Today*, December 1977.

In the American political system the President vies with Congress for power; it is, above all, a battle for public opinion. Carter's human rights policy must be understood as part of that battle. By pursuing a policy of strength vis-à-vis the Soviet Union, displayed in the radically new SALT II proposal and in the human rights policy, Carter succeeded in gaining public support. To be tough and decisive and not afraid every time Brezhnev sneezes, that appeared to many Americans to be a realistic *Moralpolitik*. The inherent dilemma of such a policy of strength, however, lies in the fact that failure produces an appearance of weakness and thus risks more than just failure.

The Soviet leadership, which considered Carter's stance neither realistic nor moral, was, of course, determined not to let Carter succeed. That determination led to bitter arguments, with international complications. While Carter maintained that arms control and human rights were in no way linked, the Soviet Union made clear that there was just such a linkage, which it could not accept. Carter wanted both détente and human rights, Brezhnev only détente without human rights. By creating the linkage, Brezhnev attempted to stop Carter's campaign. He was, in other words, playing linkage politics in his own way.

That included playing off the divergent interests of America's Western allies, who began to exert pressure on Carter in order to convince him to pursue a more realistic, as they saw it, policy towards the Soviet Union. Two arguments determined these efforts. One had to do with the tactical problem of how best to help the dissidents themselves. The Soviet regime appeared to have answered Carter's challenge with increased repression;[21] now it was argued that efforts behind the scenes would be more effective. The Soviet dissident movement itself, and indeed dissident movements throughout Eastern Europe, refuted this argument, thus complicating the issue. Their interests, obviously, are not in finding their own human and civil rights through emigration, forced or otherwise, but rather through a relaxation of repression within the Soviet system itself. François Bondy, in a very perceptive article on the dissident movement, thus argued that it was by no means clear, 'whether the West Europeans revealed, in their arguments against Carter's campaign, more wisdom and realism, or not, above all, a greater susceptibility to extortion.'[22]

The possibility of extortion, and that was the second argument, derives from the dangers which an end of détente might bring. Particu-

[21] Although there are indications that increased repression began in 1972 (thus coinciding with the onset of détente) and, more seriously, in late 1976, in preparation for the Belgrade review conference. See Frederick C. Barghoorn, *Détente and the Democratic Movement in the USSR* (New York: Free Press, 1976), for a detailed analysis of the dissident movement.

[22] François Bondy, 'Die Dissidenten—eine unbekannte Grösse', *Europa-Archiv*, 13/1977, p. 396.

larly the Federal Republic of Germany, exposed as it is, might have to fear renewed tensions, either in Berlin or in its relations with the GDR. The SPD-led Government, which had risked so much to achieve a relaxation of tension within Europe and concrete gains for ethnic Germans, was not prepared to have these achievements threatened by an American President, whose primary motive appeared to be public opinion at home.[23]

The high point of this seemingly concerted campaign came when Brezhnev claimed, via the French President, that Carter had one-sidedly changed the rules of conduct of détente. The claim was—see Brzezinski's original formulation—not without justification. Certainly Carter's policy, which differed so markedly from Kissinger's secret diplomacy and general reluctance to take the Soviet Union to task, must have had the effect of making the Soviet leadership feel uncertain. There are hints that this effect was, in fact, aimed for by the new administration; that it was part of a new tactical approach to dealing with the Soviet Union.

As Washington saw it, the temptation must have been great for the Soviet leadership to give the newcomer Carter the traditional Soviet 'test', particularly after Vietnam and Watergate, which seemed to have weakened America. It was in order to forestall such a development, which might really have threatened détente, that Carter employed a policy of strength and deliberate uncertainty.[24] If that was indeed the intention, this tactic appears to have worked: Carter has so far not been 'tested' by the Soviet Union.

Another tactical ploy (if, again, that is what it was) seems also to have produced results. It can certainly be argued, though not conclusively proven, that the human rights campaign served as a sort of bargaining chip in the arms control negotiations, which had been stagnant for so long. For there can be no doubt that the improvement in Soviet-American relations leading to a series of arms control negotiations coincided with a retrenchment of the human rights campaign.

Carter's retreat on the human rights front began with Secretary of State Vance's speech at the University of Georgia on 30 April, where he pleaded for being realistic and mindful of the limits of American power and wisdom. That theme was picked up, rather hesitatingly, one month later in the President's speech at Notre Dame University, where he 're-affirmed America's commitment to human rights as a fundamental tenet of our foreign policy', but also acknowledged that 'this does not mean

[23] The West German Government was vehemently opposed on this issue by its domestic opposition, the Christian Democrats. See their *Weissbuch über die menschenrechtliche Lage in Deutschland und der Deutschen in Osteuropa* (Bonn, October 1977) as a document on the bitter domestic debate within West Germany.

[24] So argued Victor Zorza, claiming information received from 'high-ranking government officials'. See 'On the sudden Soviet-US thaw', *International Herald Tribune*, 6 September 1977.

that we can conduct our foreign policy by rigid moral maxims.'[25] Another two months later, on 21 July, President Carter, in a speech in Charleston, S.C., on US-Soviet relations, was somewhat less precise on his human rights policy, pointing out only that the Russians were wrong in their belief that 'our concern for human rights is aimed specifically at them or is an attack on their vital interests', and expressing his own belief 'that an atmosphere of peaceful co-operation is far more conducive to an increased respect for human rights than an atmosphere of belligerence or war-like confrontation'. He also insisted: 'We must always combine realism with principle.'[26] Brezhnev let it be known that he thought Carter's speech constructive.

The final breakthrough came with an article by Carter in the *Baltimore Sun*, in which he stated more forcefully: 'Human rights cannot be the only goal of our foreign policy, not in a world in which peace is literally a matter of survival.'[27] The return to Kissinger's line, already much evident in this statement, became even more obvious in an 'overview of US-Soviet relations' delivered by Marshall Shulman, the State Department's co-ordinator for US-Soviet relations, to the House Subcommittee on Europe and the Middle East on 26 October. Once again he called for building a 'more constructive relationship' through a 'measured, balanced and realistic approach [that] can help to avoid the swings of public sentiment between too high expectations and disillusioned hostility'. While emphasizing 'the commitment of this administration to the advancement of human rights' as 'an integral element of our foreign policy generally', and promising 'no slackening in this commitment', Shulman indicated that the Carter Administration, in its search for 'the most effective means by which to realize our purpose', has, in fact, changed its strategy. For he went on to say: 'We do not see this objective as inconsistent with the desire to work toward reduced international tension and improved Soviet-American relations; on the contrary, we believe that in the long run the reduction of international tension can contribute to an easing of the internal pressures which restrict the fullest realization of the creative potential of men and women everywhere.'[28] Which is exactly what Kissinger had argued all along.

But now that he appears to have changed towards continuity, President Carter faces a dilemma of his own making. Having set out to gain public support with a policy that was also designed with tactical considerations

[25] Quoted according to *Wireless Bulletin from Washington* (USIS, Bonn), 23 May 1977, p. 5. For an analysis of the speech, see Robert McGeehan, *The World Today*, July 1977.

[26] *Wireless Bulletin*, 22 July 1977, pp. 7–8.

[27] Quoted according to *International Herald Tribune*, 20 September 1977.

[28] *Wireless Bulletin*, 27 October 1977, pp. 8, 9, 19. This issue also contains remarks by Brzezinski before a Trilateral Commission meeting in Bonn on 25 October, in which he emphasized 'the underlying continuity in American foreign policy.'

in mind (if not, as some would argue, mindlessly), he is threatened with a loss of public support now that he wants to cash in on his tactical elements (or, even worse, now that he has revealed himself as inexperienced and untrustworthy, though—and 'Washington' is willing to give him credit for that—prepared to learn from his mistakes). That loss of support, in turn, may prevent him from concluding those agreements that finally seem within reach, particularly SALT II. That, too, would mean a return to continuity: to the stalemate of the late Kissinger era.

Jimmy Carter's human rights policy had appealed to many Americans. He cannot renege on it now without himself losing appeal. He may also not be able to get away from it, as the public—and their representatives in Congress—keep forcing the issue. Belgrade can serve as a good example: the American delegation, made up of representatives from the Executive, Congress and the public, developed a dynamic of its own that brought the human rights issue to the fore despite initial attempts to mute American criticism of the East European human rights performance.

The same dynamic will make itself felt more generally. In the end, it will thus be up to the Soviet Union to do its share in preventing an end to détente. The pressure from the American public, which Carter evoked but would now like to harness, may yet convince the Russians to make substantial enough concessions. If that were to be achieved, the spirits that Carter called—and that called Carter!—would have made their presence felt in a positive way after all.

The next steps in energy co-operation

LOUIS TURNER AND AUDREY PARRY

THERE has been an important shift in the priorities of the world's energy policy-makers. Their immediate post-1973 concerns are being tackled by the energy technicians in as effective a set of international institutions as this fragmented world is likely to create. Top diplomatic attention has switched instead to reconciling the world's growing dependence on nuclear energy with the need to devise watertight safeguards against the potential misuse of this frightening technology. As much as deliberate energy policies, economic mismanagement is ensuring that the world probably does have a short breathing space in which to rethink its approach to nuclear energy—though this does not guarantee that any foolproof solutions to our dilemma will actually emerge.

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Energy policy in the OECD world

A successful world energy strategy needs good analysis, purposive national actions and an international framework for co-ordinating and overseeing the effectiveness of individual national programmes. The Organization for Economic Co-operation and Development (OECD) and its International Energy Agency (IEA) offshoot are providing the necessary analytical and institutional framework and are even being reasonably effective in maintaining a sense of urgency in national governments which might be tempted to take the current slack in the energy market as a sign that the energy problem has gone away.

The IEA has already attracted a fair amount of attention.[1] Put briefly, it has come close to fulfilling its purely defensive role. Its emergency oil allocation scheme is in place and, though not tested in a real supply crisis, has reputedly stood up well to the simulation tests to which it has been exposed. The fact that the French are still refusing to join the Agency has been mitigated by the October 1977 agreement of the EC energy ministers to a two-stage Community scheme which, with a few modifications, fits in with the IEA's emergency allocation procedures.[2] The Agency members are also generally meeting their commitments to build oil stockpiles equivalent to 90 days of imports, though both Japanese and US voices[3] can be heard complaining about the expense of these schemes.

The IEA's more positive roles are starting to come to the fore. There is now an annual scrutiny of members' energy programmes (along the lines of the OECD's programme reviews in the economic field) and, from October 1977, these are assessed against a 12-point Reduced Dependency Programme which aims to keep IEA oil imports down to 26 million barrels per day (they totalled around 24·2 m. b/d in 1977).[4] The Agency is also becoming increasingly effective in the field of energy research and development. It has developed the mechanism of research and development pacts whereby different countries are designated leaders in certain technological areas, and each country is free to opt into the resultant collaborative programmes which interest them most. By the autumn of 1977, there had been 28 such pacts, of which the most recent nine will potentially involve spending $130 m.[5] This is hardly a pace to set the world

[1] Ulf Lantzke, 'International co-operation on energy—problems and prospects', *The World Today*, March 1976, pp. 84–94; Wilfrid Kohl, 'The International Energy Agency: the political context' in J. C. Hurewitz (Ed), *Oil, the Arab–Israel Dispute and the Industrial World* (Boulder, Colorado: Westview Press, 1976), pp. 246–57; Edward Krapels, *Oil and Security* (London: International Institute for Strategic Studies, 1977).

[2] *Financial Times*, 26 October 1977.

[3] For a Japanese analysis, see Toru Kimura and Yoshio Hara, *Japan's Energy Situation* (Tokyo: Foreign Press Center, 1977), pp. 20–2.

[4] *Petroleum Intelligence Weekly*, 26 September 1977, p. 3, and 10 October 1977, p. 3.

[5] IEA Press Release, 6 October 1977.

alight, but the IEA is clearly on the way to becoming the leading clearing-house for inter-governmental research and development collaboration. It will co-exist with regional co-operative programmes such as that of the European Community, which is just starting to pick up speed with its long-delayed decision about the siting of its nuclear fusion project, JET, and its agreement to build a 1 megawatt solar power station in Italy. So far, it appears that the IEA is offering a relatively *à la carte* approach to research and development matters which has proved generally more acceptable than the more rigid approach of the Community. At the same time, the Agency is also developing a coherent research strategy in which it is determining which technologies will most benefit which countries.[6] Against this yardstick, it is just starting to scrutinize national research and development programmes along the lines of the energy programme reviews.

In addition to the IEA's work, the OECD is slowly becoming the leading source of analytical data about the world energy scene. It was already improving its energy statistics before the 1973 embargo, but used this crisis as an excuse for launching a major effort to understand world markets. The initial fruits of this research saw the light of day as *Energy Prospects to 1985*, and were then refined in *World Energy Outlook*—a notably more pessimistic document.[7]

The combination of all these activities is making the OECD/IEA[8] the predominant international centre for the co-ordination of the industrialized world's energy policies. Of course, when national interests clash badly, there will be little that the IEA can do except to rely on the usual diplomatic processes. There is virtually nothing it can do, for instance, to encourage the oil-rich nations of Europe (Britain and Norway) to produce oil and gas at rates which will benefit the whole of Europe, rather than just their own national economies. Similarly, it is not going to influence US–Japanese disagreements about the destination of Alaskan oil, or the US–Canadian diplomacy over pipelines which will determine the rate at which new Arctic hydrocarbons will reach North American markets. All the IEA can do is act as a 'marriage broker' for international energy research and development efforts, provide an increasingly sophisticated statistical analysis of energy developments so that no nation can lose sight of the problems, and act as a stern critic of national energy policies which prove deficient in any way. The signs are that the IEA is performing increasingly well in these roles.

[6] IEA, *Towards an International Strategy for Energy Research and Development* (Paris: OECD, 1977), and *Energy Research, Development and Demonstration* (Paris: OECD, 1977).

[7] Published by the OECD in Paris respectively in 1974 and 1977.

[8] It is necessary to distinguish formally between the two because the French have refused to join the IEA. In practice, the IEA functions as the OECD's energy arm.

Limits to inter-governmental approach

Despite pessimistic voices,[9] there are forces at work which, combined with the policy initiatives of the IEA, should ensure that oil markets will not cause any critical problems for consumers before 1985, at least. Above all, the 13-fold increase in the effective price of the OECD's oil imports since 1970 has inevitably led to a complete reversal of the ratio of the growth in oil usage to GNP growth: for 1960–74 this ratio was 1·45:1; now the signs are that it will run around 0·65:1 for the 1974–85 period.[10] This revolution in the patterns of energy usage has come from the substitution of other energy sources for oil and, quite as significantly, the spontaneous conservation of energy by individual decision-makers who find that, particularly in the United States, there are few investments as immediately profitable as those in energy conservation.[11]

Sadly, though, the strongest reason why oil supplies will not prove a problem until the late 1980s—if then—is that the world's reactions to the twin trauma of the inflationary explosion starting in 1972 and the 1973–4 oil price increases have proved too deflationary. The most pessimistic assumption made by the OECD in its energy forecasts was that its members would grow in GNP 3·8 per cent per annum in 1974–80 and 3·6 per annum in 1980–5 (for what it thought a more realistic forecast, it assumed 4·3 per annum and 4·1 per annum growth respectively).[12] In practice, the 1974–7 annual growth rate has been a mere 2·7 per cent and we now need a constant 4·1 per cent yearly growth rate to 1985 even to come up to the slowest growth rates assumed in these energy calculations. The result is that there is room for quite considerable delays in the energy policies of key economies such as that of the United States. The IEA's goal for virtually no growth in oil imports in 1985 over 1974 could well be met, partially by default.

But if the workings of the economic system are beyond the control of the IEA so, to a lesser extent, are key national energy policies. On the whole, the Europeans and Japanese have been tightening their strategies,[13] but, at the time of writing, the fate of Carter's energy proposals in the United States seems totally unpredictable. Actually, the President did make some limited use of the IEA's criticism of the US policy vacuum to support his proposals of April 1977. However, from that moment on,

[9] Central Intelligence Agency, *The International Energy Situation: Outlook in 1985*, Washington, D.C., 1977; Workshop on Alternative Energy Strategies, *Energy: Global Prospects 1985–2000* (New York: McGraw-Hill, 1977).

[10] Calculated from OECD, *World Energy Outlook* (Paris: OECD, 1977), p. 27. One oil company forecaster has suggested that a figure of 0·5:1 could well be achieved—and that 0·3:1 is not totally out of the question.

[11] *Business Week*, 25 April 1977, pp. 69–70.

[12] OECD, *World Energy Outlook*, p. 24.

[13] See the forthcoming Louis Turner, 'European and Japanese Energy Policies', *Current History*, March 1978.

voices from Paris carried little weight as the US political process go down to trying to reconcile the interests of energy producers and con· sumers (Carter is still reluctant to bring the US consumers fully into lin with the rest of the world by exposing them to world energy prices). Bu should these proposals finally fall into place, then this one action shoul reduce the OECD's oil needs by some 3 million b/d in 1985. No othe decision in the energy field can have such an impact, but this will primarily be a national decision, taken with only token consideration o international opinion.

The North-South dialogue

Energy policies cannot be considered solely within an OECD framework. However fast the new supplies of North Sea and Alaskan hydrocarbons, western US coal and global nuclear power may come on stream, the OECD world will still need to import significant quantities of crude. However successful individual energy programmes may be, Japan will still be importing some 65–70 per cent of its 1985 energy needs in the form of crude oil; Europe is likely to be dependent on imported oil for 40–45 per cent of its needs; the US will take 20 per cent of its energy in this form. The Opec bloc should thus be providing up to 35 per cent of the OECD's overall energy needs in 1985—a figure high enough to guarantee that the industrialized world will try to come to some form of modus vivendi with the oil producers.[14] Looming at the back of policymakers' minds is the awareness that the Opec members, particularly Saudi Arabia, may choose to restrict production below levels which are needed by oil importers; and that world oil production is close to peaking for purely physical reasons (1985–95 is commonly cited as the period when this will happen).[15]

The Conference on International Economic Co-operation (CIEC) was the initial attempt to get some form of dialogue going. The present writer has argued earlier that the industrialized countries entered the CIEC with some cynicism,[16] but its collapse in June 1977 should not disguise the fact that the work of its Energy Commission was not entirely wasted. All sides gained from the discipline of sitting together to compare estimates of the future world energy scene. At the same time, a start was made in identifying the energy problems of the 'Nopec' world—i.e. the energy-deficient developing countries—a bloc which is relatively impotent, but

[14] OECD, *World Energy Outlook*, pp. 90–3; *Petroleum Intelligence Weekly*, 5 September 1977, pp. 4–5; Kimura and Hara, *op. cit.*, p. 27.

[15] See Workshop on Alternative Energy Strategies, *op. cit.*, Chapter 3. Particularly interesting is *Project Interdependence: US and World Energy Outlook through 1990* (Congressional Research Service, Library of Congress, No. 95–31, June 1977), pp. 53–5.

[16] Louis Turner, 'Oil and the North–South dialogue', *World Today*, February 1977, pp. 52–61; see also Stephen Taylor, 'EEC co-ordination for the North–South conference', *ibid.*, November 1977, pp. 433–42.

whose good will was sought by both oil producers and industrialized nations. The pragmatism of these discussions has been preserved. Opec has held a conference on the future of national oil companies at which the international oil companies were given a substantial voice—a sign that the confrontations of the 1970s were at last being replaced by discussion about areas of mutual interest.[17] Similarly, the Euro-Arab dialogue has spawned a refining and petrochemical sub-group which is trying to reconcile the industrial ambitions of the Arab world with the commercial fears of the Europeans. This dialogue may still fail, but it is, once again, evidence of the increasing willingness of oil producers and consumers to sit down and bargain, rather than to adopt the kind of confrontationist postures symptomatic of the early to mid-1970s.[18]

If a CIEC-style dialogue is to continue, it is probably inevitable that it will take place under United Nations auspices. Quite simply, the arbitrary limitations on the membership of the CIEC could not continue and thus Waldheim's proposal that an International Energy Institute be set up within the UN framework has a certain amount of logic. However, the forces working against these proposals are currently in the ascendant. The industrialized world is taking a diplomatically passive line. It is still wary of any body where discussion of the OECD's energy needs may be tied to Third World demands for a new international economic order. Placing the North–South energy debate within the framework of the United Nations—a body generally viewed as being an ineffective decision-making institution—seems potentially dangerous. On the other hand, Opec's members are showing little enthusiasm either, sensing that the patience of the Energy-Deficient Developing Countries (EDDC) is wearing thin, so that Opec's pricing policies would become a matter of public debate within the new Institute, however tightly its terms of reference might be drawn up to avoid this possibility. At the December 1977 Opec meeting, there was some talk of special Opec help for EDDCs with debt problems, but, firstly, the ideas remained at the discussion stage and, secondly, the sums of aid which were mentioned would merely scratch the surface of the problem. Superficially, then, there is the danger of an institutional vacuum, with Opec apparently being left outside any international forum in which its policies might be challenged by consumers. However, leaving market considerations on one side, the fact that the December 1977 Opec meeting in Caracas passed so peaceably despite the recent fall in the real value of the price of oil is evidence that Opec's leading members are still open to influence from the consuming world. It is foolish to lay too much stress on the oil producers' dependence on Western technology when it has become increasingly easy for them to

[17] *Petroleum Intelligence Weekly*, 17 October 1977, pp. 3–4.

[18] Louis Turner and James Bedore, 'Saudi and Iranian Petrochemicals and oil refining: trade warfare in the 1980s?', *International Affairs*, October 1977, pp. 572–86.

play the various industrialized country suppliers off against each other, but it still remains true that countries such as Saudi Arabia and Iran are led by conservative regimes which place the maintenance of Washington's good will sufficiently high on their list of priorities to make them responsive to arguments about the harmful effects of oil-price rises on a troubled world economy. Then there are the petrodollar surpluses of the crucial Gulf oil-producing states whose disposal inevitably brings their governments into regular dealings with the world's major financial powers. Should the Saudis take a seat on the IMF's Interim Committee during 1978 (as they may well do), then the integration of the key oil-producing state into the non-Communist economic policy-making establishment will have taken a giant step forward. As far as the industrialized consumers are concerned, each similar development reduces the need for any formal successor to the CIEC, even though there are remaining problems which cannot be solved by deals limited to Opec's leading members.

The leading unresolved issue is the consuming world's need for non-Opec members of the Third World to increase their search for indigenous new sources of energy. The World Bank is handling this by at last starting to make loans for oil and gas development (the first one was to India). In the US, the Overseas Private Investment Corporation (OPIC) has just issued its first insurance policy against political risks for oil exploration.[19] However, there is still the need for a clearing-house for Third World-oriented energy research. The IEA is obviously interested in finding ways of collaborating with the less developed countries (LDCs),[20] but is too much an OECD body to meet Third World demands. Thus we come back to the United Nations which remains the logical body to develop an energy institute controlled by the Third World with which the IEA would almost certainly be happy to collaborate. But if the logic is there, the political will is not. We wait either for Opec to decide to back such a body or for the energy-deficient LDCs to take matters into their own hands. One way or another, though, this is a body which will emerge—given time.

Nuclear dilemmas

Ultimately, however, the problems of integrating countries like Saudi Arabia into the world system pale into insignificance before the problems thrown up by the world's steady switch to nuclear power. In fact, the oil issue is slowly moving away from the forefront of Western attention, being replaced by nightmares about possible nuclear-energy shortfalls and the dangers of nuclear proliferation.

[19] *Petroleum Intelligence Weekly*, 18 July 1977, p. 6.
[20] See Communiqué adopted by the IEA governing board, 6 October 1977 (IEA Press Release, 6 October 1977, pp. 5–6.)

In the immediate aftermath of the 1973 crisis, policy-makers round the world put too much reliance on nuclear power's ability to meet coming energy shortages. In the eyes of some critics, they did not fully consider the cost of all the related investments needed to produce nuclear power;[21] but it still appears to be the most readily available new technology that would provide energy at prices not too out of line with the Opec-determined price of oil. However, since then, there has been a virtually universal scaling-down of estimates of how much nuclear capacity will be available by any given future date. A spectacular example of this scaling-down process is provided by the European Community whose Commission has reduced its hopes for 1985 from a June 1974 estimate of 200 gigawatts to a July 1977 one of 105·5 gigawatts.[22] The reasons for these reduced estimates have been the heavy environmentalist backlash against nuclear power found throughout the OECD world, escalating capital costs and a reassessment of how much electricity will actually be needed in the mid-1980s, given the slow-down in world economic growth.

However, since April 1977, advocates of nuclear power have been thrown even more on to the defensive by President Carter's announcement of a new US policy on nuclear energy. Not only did the President announce that US nuclear reprocessing programmes would be deferred and that the breeder programme would be restructured in order to lessen future American dependence on a plutonium economy, but he announced measures aimed at persuading foreign countries to rethink their nuclear programmes too. Behind the US position was the fear that the proliferation of nuclear power carries the ultimate danger that the stability of the world could be upset if countries divert plutonium from their nuclear energy programmes into the making of nuclear weapons.

The pressures for some such initiative had been building up for about three years. The key date here seems to have been 1974 when the Indians exploded their first nuclear device using plutonium developed in a small reactor given them by Canada for peaceful research purposes. This incident alerted public opinion to the proliferation issue and, in April 1975, the existence of the 'London Club' (now called the Nuclear Suppliers Group (NSG)) became publicly known. This was a club of nuclear exporters determined to tighten the conditions on which nuclear technology, materials and information would be exported to nations refusing to ratify the 1970 Non-Proliferation Treaty (NPT). Initially a very confidential affair, the Club was founded by the US, UK, France (itself not a signatory of the NPT), West Germany, Japan, Canada and, most significantly, the Soviet Union. The fact that the latter was involved showed

[21] See Walter C. Patterson, *Nuclear Power* (Harmondsworth: Penguin, 1976), pp. 218–33; Amory B. Lovins, *Soft Energy Paths* (Harmondsworth: Penguin, 1977), Chapters 4–8.

[22] *Petroleum Economist*, April 1977, p. 135; *Petroleum Intelligence Weekly*, 5 September 1977, p. 4.

that the great powers were now fully aware that existing safeguards such as the NPT were not enough to control the threat posed by nuclear-powered economies.

It is not possible in the space available to go into all the ramifications of nuclear diplomacy, but some points need to be made. Firstly, although there are doubts as to the extent to which all members of the Carter Administration are convinced by his analysis, his proposals did not come out of a vacuum. The Ford Administration had itself announced a moratorium on the reprocessing of nuclear fuel in October 1976.[23] Secondly, it is clear that both the exporters of nuclear technology and uranium have been hardening their attitudes towards countries which are 'proliferation risks'. The most striking example of this determination in recent months was the concerted diplomatic blitz on South Africa when it was assumed in August 1977 that its government was preparing a nuclear explosion. This diplomatic offensive seems to have been triggered by a message from Mr Brezhnev to President Carter and it included the American threat to break off American diplomatic relations with South Africa if the test went ahead, vocally supported by Britain, France and West Germany. The success of this diplomatic offensive is still in the balance, with US pressure on South Africa increasing with the goal of persuading the latter to sign the NPT and dismantle its nuclear weapons-testing facilities in the Kalahari desert.[24] But pessimism is growing and is increased by the apparent failure of lesser US pressures to shift Brazil from a nuclear policy which runs the risk (in American eyes) of triggering a nuclear arms race with Argentina. On the other hand, the latter has proved responsive to US diplomacy, and Canada, worried about France's failure to sign the NPT, finally persuaded the European Community (and thus France) to accept tighter safeguards on the use of Canadian uranium, whose export to France was suspended for almost a year.[25]

The change in American policy has not been accepted whole-heartedly by other OECD nations. This has been partly because of genuine intellectual differences about the validity of various US assumptions, partly because of considerable scepticism about US motives: the proposed policy of general self-restraint can be interpreted as favouring US commercial self-interest, since in key areas such as the development of fast-breeder technology, the US is behind some other countries. Thus the French, British, Germans and Japanese were unwilling to drop their fast-breeder programmes in return for Carter's proposal that he would expand US capacity for supplying the world with enriched uranium. Again, the French and Germans have been particularly unhappy that, just at the

[23] For an excellent analysis of proliferation diplomacy, see Brian Johnson, 'Nuclear power proliferation: problems of international control', *Energy Policy*, September 1977, pp. 179–94.
[24] *International Herald Tribune*, 29 August 1977 and 21 December 1977.
[25] *Financial Times*, 21 December 1977.

me that their nuclear plant exporters were starting to win major con-
'acts in countries like South Korea, Brazil and Iran, the Americans
ıould start calling for restrictions on the types of plants which could be
ɔld to such countries. Obviously, the potential recipients of the relevant
uclear technology are even more uneasy about US policy which seems
› be aiming at denying them the kind of unquestioned right of access to
eaceful nuclear technology which the leading industrialized countries
ave hitherto taken for granted.

The worries of these low-to-middle ranking powers arise from a totally
nprecedented problem, for what the leading nuclear powers are im-
licitly arguing is that there is now an industrial technology which is too
angerous to let into the hands of sovereign governments without
irtually fool-proof supranational safeguards. Unfortunately, this runs
ɔunter to some of the most deeply held beliefs of a world community
ı which the vast majority of nations have only recently begun to emerge
'om political and commercial dependence on a handful of great powers.
ɪnd yet the technology for producing weapons-grade uranium is inevit-
ɔly becoming simpler, cheaper and more generally accessible as each
ɜar goes by (the use of lasers in uranium enrichment seems to be the
ıost dangerous current development). At the same time, whatever the
ɪccess of the Sadat–Begin initiative, instability will continue in the
Iiddle East where Israel has a nuclear capability; tension is going to
:main in South Asia as long as Pakistan is faced with India's nuclear
ɪperiority; chances are quite high that the developing struggle by Black
.frica to liberate a white South Africa could drive the latter to the wall,
ıus forcing it to develop some form of nuclear strike capability. The
anger grows that, as nuclear technology spreads, any region could pro-
uce a nuclear arms race, despite all great-power efforts, purely because
given country feels that its national survival is threatened unless it
ɔllows the nuclear route.

In the absence of any central world body with sufficient moral authority
› ensure that peaceful nuclear technology is not diverted to warlike ends,
ıe search is on for a different kind of organization which will achieve the
ɪme results through more prosaic means. The Nuclear Suppliers Group
; the most promising body here since its membership, which is much
ıore limited than that of the International Atomic Energy Authority,
rimarily consists of those countries which dominate nuclear technology
ɪd uranium supplies for the moment (South Africa and Israel are the
vo important exceptions). It now consists of 15 nuclear-exporting
ations including, in addition to the obvious OECD nations, the Soviet
Inion, Czechoslovakia, East Germany and Poland. The fact that the
ading Eastern and Western powers are united in trying to avert the
ide towards a free-for-all in weapons is at least the next best thing to
aving some central world body with the necessary moral force to govern
ational behaviour.

The danger is that in using the group's technological leverage to impose good behaviour on less powerful, would-be nuclear powers, the NSG's members may trigger off a backlash of small-power resentment against themselves. It has thus become necessary to widen the debate about the advantages and drawbacks of the plutonium economy so that the maximum number of governments, suppliers and potential customers see the dangers for themselves. It is hoped that the forum for achieving this will prove to be the International Fuel Cycle Evaluation (INFCE), which was given a formal start at a conference held in Washington between 19 and 21 October 1977. Since this is planned as an intellectual operation and not as an exercise in *Realpolitik*, the membership has been thrown open to any countries interested in the issues, with the US deliberately taking a low profile, in recognition that its efforts to force other countries to adopt alternative nuclear strategies have tended to be counter-productive. Thus, over the next two years, eight working groups will study a variety of problems connected with the spread of nuclear power. Potentially important institutional initiatives will be discussed (such as the creation of multinational or regional fuel-cycle centres that might reduce the risk of individual countries surreptitiously diverting nuclear materials for sinister purposes), as will various ways of ensuring long-term supplies of technology and fuel, possible alternative fuel-cycle and reactor concepts etc.[26] It is too soon to judge exactly how effective the whole process will be, but the United States will probably take some satisfaction from the setting up of INFCE, since the issues it will be debating include all the important ones which Carter originally raised in April 1977.

Some cautious optimism is thus justified in evaluating the way international energy co-operation has developed in recent years. The OECD world can be happy with its defensive measures. The leading Opec powers are being granted a position in world affairs which is more commensurate with their economic importance, though there are signs that Opec as a whole is becoming slightly more isolated from both the OECD and the 'Fourth World' of the poorest nations. In the nuclear case, there has been surprising progress over the last four years in critically evaluating the role that nuclear power might play in the future world energy economy, and the nuclear 'oligopolists' are taking advantage of their current hold on nuclear technology to try to minimize the dangers of an uncritical acceptance of the spread of nuclear power. Finally, the champions of 'benign' energy sources (such as the sun, wind and waves) can take some heart from the fact that the current slow-down in world economic growth is giving time for energy policy-makers to wean themselves from their love affair with nuclear power and to reach a more balanced assessment of where non-nuclear energy technologies may fit into the world of the 1990s and the 21st century. Despite everything, though,

[26] Final communiqué of the INFCE conference (US Embassy, London).

there is still no guarantee that Third World nationalism and the commercial self-interest of nuclear suppliers can actually be contained. The nuclear genie is not yet back in its bottle.

The UN Security Council: evolving practice

SYDNEY D. BAILEY

THE evolution of the practice of the Security Council can be studied most conveniently in three phases: 1946–55, 1956–65, and since 1966. The first phase was dominated by the Cold War; the second by the eclipse of the Council and the increased significance of the Secretary-General and the General Assembly; and the current phase by the decisive role of the Afro-Asian world.

The Rules of Procedure of the Council now in force were adopted in 1946. Differences of view in 1945–6 about what Rules would be needed did not follow the usual ideological or geographical lines, but the majority of Council members favoured a rather simple set of Rules which could be adapted in the light of experience and the external political environment. This raised few problems until it came to the Rule or Rules about voting. The Soviet Union put forward a complicated draft which would have entrenched in the Rules of Procedure the so-called Double Veto by which a permanent member of the Council can veto the preliminary question whether a particular proposal is substantive and thus subject to veto, or only procedural and consequently veto-free; and also whether a case before the Council is a dispute, in which event a party to the dispute has to abstain from voting, or only a situation, in which event a party may vote. This proposal caused consternation in Washington. After many weeks, first of US filibustering, and then of fruitless negotiation, the Security Council adopted a vacuous text to the effect that voting would be in accordance with the Charter, and decided that the Rules of Procedure would be provisional only, pending further study. After 32 years, the study is still pending so the Rules are still provisional.

There have been a few minor amendments to the Rules since 1946: clarification of the procedure for electing members of the International Court of Justice (1947) and of the Rule regarding credentials (1950), changes in the arrangements for dealing with applications for UN Membership (1947), and the addition of Russian, Spanish and Chinese to the working languages (1969 and 1974). The most important changes of practice, however, have taken place without amending the Rules.

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1946–55, the years of the Cold War

During the first decade, the Security Council was widely regarded as being simply a forum for Cold War polemics. The favoured tactic was to convene the Security Council at short notice or at an inconvenient time, and then introduce without advance warning a proposal patently unacceptable to the other side. If the proposal came from the Soviet Union, it was almost certain to fail to secure enough votes for adoption (what Soviet diplomats called the Hidden Veto); if the proposal came from the West, it was likely to encounter a Soviet veto. During the decade, 110 resolutions were adopted and 79 proposals were vetoed.[1]

Another tactic intended to hold up the work of the Council, used by the Soviet Union, was the walk-out or boycott. The Soviet Union boycotted Council meetings for two periods in 1946 when Iran's complaint of Soviet interference was being considered, and again for more than six months in 1950 because of the Council's failure to expel Kuomintang China. But the boycott was always a weapon which could boomerang, as the Soviet Union discovered following the North Korean invasion of South Korea. As the Soviet Union was absenting itself from Council meetings, the Council simply went ahead without Soviet participation, regarding the Soviet absence as tantamount to an abstention. If the Soviet representative had been present, he would certainly have prevented the adoption of any resolution to support South Korean resistance to the attack from the North.

The dominant voting strength of the West in all UN bodies during the first decade may be illustrated by the gradual disappearance from the Council of a second member of the Council from the Soviet bloc. Poland was elected to the Council for 1946–7 and the Ukrainian SSR for 1948–9. For 1950–1, however, the East European seat went to Yugoslavia, which had broken with the Cominform in 1948, and after 1951 it went to Greece or Turkey.

The Council met wherever the General Assembly happened to be in session: London in 1946, Paris in 1948 and 1951–2. This excessive but unavoidable mobility caused serious problems when the Council was *en route* to or from New York. In December 1948, for example, the Council was out of action for a crucial week over the Christmas holiday period, immediately following the second Netherlands 'police action' in Indonesia and the renewed Israeli offensive in the Negev.

When the Council concluded that a particular Charter provision was unsatisfactory, the Charter was simply ignored, and the lawyers were left to explain things as best they could. This was the case, for example, with regard to Article 27(3), which states that substantive decisions of the Council shall be taken with 'the concurring votes' of the five permanent

[1] See the table in *Voting in the Security Council, op. cit.*, pp. 28–30.

members: contrary to the intentions of the founders, it was progressively accepted that an abstention from voting was, to all intents and purposes, a form of concurrence.[2] Article 12(1) provides that the General Assembly shall make no recommendations regarding a dispute or situation while the Security Council is exercising in respect of that dispute or situation the functions assigned to it in the Charter. This was intended to prevent two different UN organs from dealing simultaneously (and perhaps differently) with the same question. In 1948, however, both the Security Council and the General Assembly were seized with the Palestine question, and similarly in 1949 with Indonesia and in 1950 with Korea. It was subsequently explained that the two organs had been dealing with *different aspects* of the same question or that they had never dealt with the same question *at precisely the same moment in time*.[3]

The procedure for dealing with applications for UN Membership in the first decade had both positive and negative features. The positive feature was that applications were treated seriously so as to ensure that applicants met the requirements of the Charter. Nepal, for example, was asked to provide evidence of its sovereignty and independence, and Israel had to apply three times before the Council made a favourable recommendation. The negative feature of the period was the tendency to link together different applications, epitomized in the package deal of 16 admissions on 14 December 1955.

1956–65, the eclipse of the Council

Two trends led to the eclipse of the Council during the second decade. The first, initiated by the United States during the first phase and accepted somewhat reluctantly by its friends and allies, was the attempt to substitute the General Assembly for the Security Council when the latter was deadlocked by the veto. This was evident in the resort to the Uniting for Peace procedure over both the Suez and Hungarian crises in 1956, Lebanon and Jordan in 1958, and the Congo in 1960. The second trend, which was to have momentous consequences, was for the political organs of the UN to turn problems over to Dag Hammarskjold with the broadest of directives, leaving to him the detailed implementation. Moreover, the second trend was accompanied by Hammarskjold's own increasing use of the implied responsibilities and powers of the office of Secretary-General. This led in 1960 to a major dispute with the Soviet bloc about the UN operation in the Congo and to Khrushchev's *troika* proposal for the administration of the United Nations by a three-member board representing the main ideological trends, in place of a single and independent Secretary-General.[4]

[2] See the author's 'New Light on Abstentions in the Security Council', *International Affairs*, October 1974, pp. 554–73.

[3] See *The Procedure of the UN Security Council, op. cit.*, pp. 228–9, 365–79.

[4] See the author's 'The troika and the future of the UN', *International Conciliation*, No. 538, May 1962.

In spite of the *troika* idea, however, the Cold War no longer dominated the proceedings of the Security Council as attention was increasingly directed to Asia, the Middle East and Africa. While the Council adopted almost the same number of resolutions as during the first decade, the number of vetoes dropped from 79 to 29, though they were still mostly cast by the Soviet Union.[5] This change in the frequency of the veto reflected both the kind of issues with which the Council was now concerned and a greater Soviet willingness to engage seriously in the give-and-take of negotiation.

Applications for Membership were now approved by the Council as a matter of course and without reference to the committee on Membership, the number of Members rising from 76 to 117 during the course of the decade. The new Members were from the Third World, formerly under colonial rule, unattached to military alliances, relatively under-developed, and determined to eradicate the vestiges of economic domination or racial arrogance.

The simultaneous consideration of the same issues by both the Security Council and the General Assembly proceeded apace, especially regarding Southern Africa. In spite of the Uniting for Peace arrangements, peace-keeping operations after 1956 were invariably authorized by the Security Council rather than the General Assembly (Lebanon 1958, Congo 1960, Yemen 1963, Cyprus 1964).

Members of the Warsaw Pact were again elected to the Security Council though (contrary to the Charter) only for one-year terms: Poland in 1960, Romania in 1962, Czechoslovakia in 1964. But with up to 112 Members competing for six elective places, it became increasingly difficult and finally impossible to ensure a reasonable share in the work of the Council to each significant regional or ideological group, and states like Israel and South Africa, which were at loggerheads with their neighbours, had no hope of ever being elected to the Council.

Since 1966, the decisive role of Africa and Asia

In 1963, the countries of the Third World united to propose the first amendments to the Charter whereby the Security Council would be increased from 11 to 15 members (and the Economic and Social Council from 18 to 27). Enough ratifications were obtained for these amendments to enter into force on 31 August 1965. The General Assembly also decided that the ten elective places on the Security Council should be allocated as follows:

Africa and Asia	5
Eastern Europe	1
Latin America	2
Western European and other states	2

[5] *Voting in the Security Council*, *op. cit.*, pp. 30–1.

ıis meant that neither the United States nor the Soviet Union could cure the adoption of a decision by the votes of its allies and friends ɔne: the balance of power now lay with a majority from the non-rmanent members. Moreover, it was now possible for the non-perma-nt members to muster a sufficient majority to take a decision even if l of the permanent members abstained or declined to participate in the ıting—as, indeed, happened in 1973 on a resolution relating to a Middle ıst peace conference.

There have been 41 vetoes during the third period, most by Western ıtes:

China	2
Soviet Union	6
France	5
United Kingdom	10
United States	18

he veto is now in the main a Western protection on Southern African Middle Eastern proposals, and past polemics about the veto have been ɔod on their head.

Total UN Membership has increased from 117 to 149, China finally ɔk its seat in 1971, and the notion of a special status for mini-states has en shelved. Only Switzerland remains outside the United Nations: the deral Political Department is believed to favour Swiss Membership ıt to expect that a referendum on the question would at present give a gative result.

The significance of the Third World in the work of the Council may illustrated by the decisions to meet in Addis Ababa in 1972 to con-der African questions, and in Panama City in 1973, ostensibly to con-ler peace and security in Latin America, but in reality to support the ınamanian demand for a new Canal treaty.

Another manifestation of Third World voting strength is the changed titude of the Council to requests to participate, both from states which e not members of the Council and from representatives of political ırties and liberation movements. During the first two decades, non-ɔvernmental participation in Council debates was rather unusual and nited to what were thought to be embryonic governments (the Jewish gency for Palestine, the Arab Higher Committee) or governments hich had been overturned (Czechoslovakia, Hyderabad). Since 1971, ɔwever, African nationalists have been frequent participants in Security ouncil debates, and one organization (the Palestine Liberation Organi-ıtion) is regularly invited to participate on the same basis as UN Iembers.

Perhaps the most interesting feature of the third phase, one implication which is causing the present Secretary-General some concern,[6] is the

[6] Conversation with Dr Kurt Waldheim, 18 November 1977.

strong emphasis on quiet diplomacy. The central role in consensus-building is performed by the President for the month, who can call on the resources of Dr Waldheim and the Secretariat whenever it is deemed useful. Presidents tend to consult according to a recognized sequence: first the parties to the case and others with a special interest, then the permanent members and representatives of regional groups, and finally the non-permanent members. This informal consultation may lead to a decision *not* to call a meeting: usually, however, consultation continues until a decision has been devised in private which can then be debated and adopted in public. Sometimes a proposal before the Council has no named sponsor, which was quite unheard of in the first two decades. Often the agreed text is adopted by consensus, which happened on only three occasions in the first decade and only 12 occasions in the second.[7]

Dr Waldheim fears that public interest in the work of the Council will decline if it is thought that the Council is merely rubber-stamping agreements negotiated in private, and as confirmation of his fears he points to the often empty public galleries when the Security Council meets.

The galleries do, indeed, present a forlorn appearance, but there must be many reasons for this change. The novelty of a United Nations based in New York has worn off, the issues discussed in the Security Council seem both arcane and tedious to the American in the Manhattan street, and the United States is on the winning side less often than it used to be. Taking a world-wide view of how the media report on the Security Council, it may be doubted whether there has been a significant over-all decline in interest in recent years.

Ambassadors still address their own public opinion rather than their fellow diplomats, but that was always the case. One trend which the West finds disquieting is the frequent wish of the three African members to consult the whole African group before agreeing to any changes which may emerge in the course of negotiation or debate. The African states chosen by the African group are always elected to the Council, but genuine negotiation under the auspices of the Council is difficult if nothing can be agreed without reference back to regional groups. On one occasion, when Mali was President, an important and urgent Council meeting on preventing oil for Rhodesia from being landed in Mozambique was delayed for more than two days because of differences within the African group: without the President for the month, the Council could not meet. Some members would have liked to change the Rules so as to prevent a repetition, but in the end it seems to have been accepted that the events of April 1966 had been a maverick occasion.

There have been other procedural innovations during the third phase:

[7] F. Y. Chai, *Consultation and Consensus in the Security Council* (New York: UN Institute for Training and Research, 1971), p. 47.

the first (and last) meeting at Foreign Minister level under Article 28(1) of the Charter in 1970, allowing a non-member of the Council (Ireland) to participate in the debate in August 1969 *before* adopting the agenda (the Northern Ireland question) and then adjourning without voting on the proposed agenda, the virtual abandonment of consecutive interpretation, and so on. Pressure to increase the number of permanent members of the Council, and consequently the number of states with the right of veto, was quite intense for a time, but seems to have declined since 1971.

In many respects the Council now functions much as the founders intended. The Council authorizes peace-keeping, but has been less successful in resolving the underlying disputes. The Council applies pressure against racist régimes, but lacks the capacity to enforce supposedly binding decisions. The Council defuses situations of tension by means of fact-finding, good offices or other means of peaceful settlement, but sometimes lapses into the kind of polemical debate which exacerbates rather than reduces tension. When it comes to collective security, the arrangements envisaged in the Charter are largely unimplemented; while the Council has been able to authorize provisional measures and non-military sanctions when peace is endangered, collective military enforcement is still almost (though not quite) inconceivable, so that states rely for their security on the right of self-defence. After 32 years, the Council is still indispensable but inadequate.

Ideology and pragmatism in Algerian foreign policy

SAM YOUNGER

In 1976 the United States replaced France as Algeria's principal trading partner, accounting for 24·4 per cent of the country's total trade. Its nearest rivals were all West European—France, West Germany and Italy in particular. In comparison, Algerian trade with the Soviet bloc has been on a small scale and in 1976 exchanges with the USSR amounted to only 3 per cent of the total. On the face of it, this pattern of economic relations is surprising in the light of Algeria's reputation as a Third World power and an Arab radical, anti-imperialist and anti-Western country.

However, the paradox is not as striking as it may appear. Firstly, trading patterns are normally a reflexion of national economic interest more than of ideology and, in Algeria's case, Western Europe and the United States are appropriate as suppliers and particularly as markets. Not only can they supply the modern technology that the country requires but they are also the major importers of oil and natural gas, which make up over 90 per cent of Algeria's exports. In general, Algeria's foreign policy principles are not those of revolutionary socialism or anti-capitalism, but are fundamentally nationalist. The Algerians argue that their priority is not to export their revolution but to support and promote the national independence of all the peoples of the world.

It is not difficult to understand why these principles are at the root of Algeria's foreign policy. A long and bloody War of Independence left Algerians with a powerful common experience and a sense of identity separate from that of their neighbours. After independence had been achieved in 1962, the main concern of most Algerians was that they should now be masters of their own destiny without interference from outside. The first leader of independent Algeria, Ben Bella, pursued an internationalist foreign policy but did not shake the economy free of its traditional dependence on France. When Houari Boumedienne came to power in June 1965, he turned inwards and concentrated on gathering the reins of economic power into Algerian hands. His argument was that no foreign policy initiatives could hope to be effective as long as Algeria was still not fully independent. Although formal independence had been won, Boumedienne maintained that full and effective independence was not complete until February 1971, when a policy of nationalization culminated in the final takeover of remaining French oil interests. Algerians

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argue that only then was the country in a position to make its voice heard in the international arena. Thus, in September 1973, a new activist phase in Algerian foreign policy was heralded by the fourth conference of non-aligned countries, which was hosted in Algiers by President Boumedienne.

Basic to the Algerians' nationalist ideology is support for national liberation movements and they have always prided themselves on their record in this area. The central problem here is where to draw the line between genuine *national* liberation struggles and separatist or sectional movements within a country. For instance, at one time Algeria supported and provided refuge for members of the Black Panther movement in the United States, an attitude which was construed in America as blatant interference in the domestic affairs of the United States. Similarly, Algeria's current support for the independence of the Canary Islands is attacked in Spain on the same grounds. In the case of the Black Panthers, the Algerians have ceased their support, but they maintain that the Canary Islands are a separate nation deserving independence.

On the other hand, Algeria has refused to endorse either the Eritrean Liberation Front or the Somali claim to the Somali-speaking region of the Ogaden in Ethiopia, although both have won widespread support for their cases. On this issue the Algerians (as indeed the Organization of African Unity) follow a pragmatic line, arguing that the national frontiers inherited from the colonial era must be respected, because to challenge them would bring into question so many international boundaries—particularly in Africa—that unacceptable chaos would ensue. This policy can be criticized as inconsistent with a commitment to the self-determination of peoples, although in practical terms there can be little doubt about its expediency.

Among the liberation movements which enjoy Algerian support, two claim more attention that the rest: the Palestine Liberation Organization (PLO) and the Western Saharan movement (Polisario), though the problems which the two cause for the country's leaders are very different.

Attitude to PLO

Support for the PLO is a relatively uncomplicated issue for Algeria. As for the rest of the Arab world, anti-Zionism and championing of the rights of the Palestinian people have been indispensable credentials for Algeria's leaders. Indeed, the Algerians feel a special identification with the Palestinian resistance because they see it as waging the same kind of struggle as the Algerian Front of National Liberation (FLN) before it. Algeria's policy on the Middle East conflict, drawing on the experience of the FLN, has always been based on the argument that the PLO must be left to make up its own mind on what is best for the Palestinians and that Algeria should offer unconditional support for whatever decisions the PLO makes. As President Boumedienne himself has explained it: 'We

think the three parties in question are Egypt, Syria and the Palestinian resistance, and we support any line on which these three parties agree. But if there is a dispute between the Palestinian resistance and one of the other parties, we will stand by the resistance.'[1]

Moreover, Algeria has not in the period since 1973 taken up any position in the dispute within the Palestinian resistance. Whereas most other Arab countries have clearly taken up the cause of either the 'rejectionists' or the 'moderates', Algeria has kept its options open, receiving in Algiers the representatives of all the elements within the PLO. But Algeria has thereby remained on the sidelines of the diplomacy surrounding the Palestine question, hamstrung by its refusal to commit itself to either of the main trends of Arab thinking on the subject. Many Algerians contrast their position particularly with that of Libya's President Qaddafi who, on the basis of his Nasserist faith in the united destiny of the Arab nation, claims to know the right policy, not only for Libya but also for the rest of the Arabs, including the Palestinians. Algeria makes no such claim, believing that just as Libyans know what is best for them, so do Egyptians, Syrians and Palestinians. An Algerian position on the attitude of an Arab government towards Israel is thus justified only when it affects the Palestinian resistance.

It is for this reason that the Algerians have come back into the centre of Arab politics in the wake of President Sadat's visit to Jerusalem in November last year. Of course, President Boumedienne cannot have been unhappy at finding an opportunity to re-establish Algeria as a powerful voice in the counsels of the Arab world. The last time Algeria had been prominent on the Palestine question had been in 1973, when the US Secretary of State, Dr Kissinger, regularly consulted Mr Boumedienne in the course of his shuttle diplomacy. Since then, two events had combined to reduce Algeria's weight in Arab politics. One was the death of King Faisal of Saudi Arabia. Despite their fundamental ideological differences, King Faisal and President Boumedienne had from the beginning of the 1970s established a personal relationship of trust and consultation which was an important influence in the Arab world—a relationship which faded with the King's death. The other major factor was Algeria's preoccupation with the Western Sahara, an issue on which President Boumedienne has found scant support in the Arab world. Furthermore, Algeria's hesitancy and failure to wield any significant influence during the civil war in Lebanon was a disappointment, especially to the Lebanese Left and the Palestinians.

Palestinian condemnation of President Sadat's initiative found a ready echo in Algiers, where it was considered that the Egyptian President had compromised the overall Arab negotiating position by his de facto recognition of the Jewish state and had shown signs of being ready to conclude

[1] Interview with *An-Nahar* (Beirut), June 1975.

a separate peace with Israel which would not take account of Palestinian rights. When those Arab states opposed to Sadat gathered in Tripoli in December with a PLO united for the first time since 1973, Algeria was a leading participant in the meeting which ended with the rupture of diplomatic relations with Egypt. The major shortcoming in the 'front of steadfastness' against Sadat at that meeting was the walkout of the Iraqis and it was President Boumedienne who subsequently took it upon himself to mediate between Baghdad and Damascus. At the beginning of January, he made one of his rare foreign tours, which took him all over the Arab world as well as to the Soviet Union and Yugoslavia. On returning home the Algerian President called a new summit of all those who had been at the Tripoli meeting, clearly hoping that he would enjoy the prestige of presiding over a public reconciliation between Iraq and Syria in Algiers just as he had over the end of the Iraq–Iran dispute nearly three years earlier. However, the Iraqis did not attend the meeting convened on 1 February and President Boumedienne had little to show for his mediation efforts.

The Saharan conflict

At the Algiers summit, one of Algeria's concerns was to include discussion of the problem of the Western Sahara, a conflict in which Algeria has become inextricably involved and which—unlike the Palestine question—raises the spectre of war between Algeria and Morocco.[2] The Algerians argue that their position on the Sahara is one of principle. The Sahraouis, they contend, are a people with the right to self-determination, a right recognized by numerous United Nations resolutions and the 1975 decision of the International Court in the Hague, which recommended that a referendum should be held to ascertain the wishes of the Saharan population. For Algeria, therefore, the division of the Saharan territory between Morocco and Mauritania on the withdrawal of the Spanish in February 1976 was illegal. A Sahraoui state would not involve redrawing the boundaries inherited from colonialism.

There are other reasons for Algeria's support for the independence of the Western Sahara. One is a determination not to allow the expansion of Morocco, especially because successful Moroccan annexation of the northern part of the Sahara might induce King Hassan to reopen the question of the disputed border between his kingdom and Algeria, which caused a war between the two countries shortly after Algerian independence in 1963. The other is the advantage to Algeria of a small and dependent Saharan state which could provide a convenient outlet to the sea for the potentially significant mineral deposits in the south-west of Algeria—although here the Algerians point out that agreement on such an outlet could easily have been reached with Morocco.

[2] For background, see John Mercer, 'Confrontation in the Western Sahara', *The World Today*, June 1976.

Algeria's support for the Polisario liberation movement has brought it to the brink of war with Morocco, a state of affairs which is certainly not in the country's interest. Morocco and Mauritania have always held Algeria responsible for the guerrilla raids of the Polisario, and, indeed, on occasion, regular Algerian troops have been involved in the fighting. The tension with Morocco has gradually escalated from a break in diplomatic relations to a more or less constant propaganda war which reached its high point on 5 November 1977, when King Hassan announced that he would forthwith use his right of 'hot pursuit' of Polisario guerrillas over the border to their bases in Algeria.

A resolution of the conflict over the Sahara is vital for Algeria. Its economic situation is finely balanced, with mounting international debt set against the vast potential earnings from the sale—especially to the United States—of liquefied natural gas. A war would have disastrous effects on the economy and could also threaten the country's political stability. However, President Boumedienne's credit both domestically and internationally would probably not survive a complete abandonment of Polisario.

Low point in relations with France

One of the consequences of the conflict over the Sahara has been a disastrous deterioration in relations with France. In the decade following independence, problems and crises were probably the inevitable result of a need felt on both sides to change the nature of the relationship from one of dependence to one of equality; but when Giscard d'Estaing made the first visit by a French President to the new Algeria in April 1975, it looked as though the page had been turned. The two Presidents agreed on various measures to increase their co-operation, including measures to improve the conditions of the 750,000 Algerian workers in France as well as of the French Muslim 'harkis' who had left Algeria with the French; they also agreed that action would be taken to narrow the Algerian trade deficit with France, something the Algerians were especially concerned about since it smacked of lingering dependence on the old colonial power. In fact, none of these problems has been satisfactorily dealt with, and the question of the trade deficit in particular has become acute and provoked Algerian retaliatory actions in the economic field. In just two years, between 1974 and 1976, France's trade surplus with Algeria doubled. In response, at the beginning of 1978, President Boumedienne instructed all his ministries and state companies to stop ordering goods from France as far as possible; and a presidential decree of 21 January ordered the nationalization of five French-owned firms in Algeria.

However, it is unlikely that relations between the two countries would have reached their present nadir had it not been for the Sahara question. The basis of Algeria's resentment against France is its contention that

France's increasing involvement on the side of Morocco and Mauritania is part of a policy aimed at creating a *cordon sanitaire* around radical Algeria. This belief has been nurtured by France's increasingly close ties with both Morocco and Mauritania (including arms supplies), as well as by its co-operation with Morocco in sending troops to Zaire to fend off the secession of the Shaba province. For the Algerians, the final confirmation of France's designs came in November 1977. To back up France's demands for Algerian action over eight French hostages held by Polisario, the French Government on 25 November sent a detachment of several hundred troops and six Jaguar aircraft to the Cap Vert base near Dakar in Senegal. The aircraft were subsequently used in reconnaissance missions over Mauritania, and although the French claimed that their aim was only to assure the security of French citizens working in the area, the Algerians saw their presence as confirmation of France's commitment to their opponents' cause. Conviction was added to this assessment when, after Polisario's claim on 18 December that French Jaguar aircraft had inflicted heavy losses on them three days earlier, the French authorities made no effort to deny the allegations.

The French version of the dispute is different. France's objections centre on Polisario's kidnapping and killing of French citizens working in Mauritania. Algeria is accused of harbouring the kidnappers with their victims. When on 1 May 1977 Polisario guerrillas attacked the Mauritanian mining town of Zouerate, killed one French couple and took six Frenchmen hostage, the French Foreign Minister, in an obvious reference to Algeria, said: 'We know very well where they [the attackers] come from: a neighbouring country where Polisario has its bases.'[8] Although the Algerian Government expressed willingness to bring Polisario and the French authorities together, it refused to exert pressure on Polisario. On 26 October the abduction of two more Frenchmen in Mauritania exacerbated the tension. When the hostages were finally released, in Algiers on 23 December, two of them, Yves Haristoy and Daniel Ballaude, cast serious doubt on Algeria's contention that it had not known their whereabouts by saying that they had for a time been held at an Algerian barracks at Adrar and had been recaptured by Algerian troops when they had tried to escape.

Non-alignment and the New Economic Order

Algeria's commitment to non-alignment springs directly from its fierce concern for national independence, although its definition of non-alignment is far broader than the restrictive conditions canvassed by Libya's President Qaddafi at the non-aligned summit in Algiers in 1973, when he challenged Cuba's right to participation because of its close links with the Soviet Union. The Algerians argue that for any country to qualify as non-

[8] Statement of 3 May 1977, *Arab Report and Record*, 1–15 May 1977.

aligned, it must avoid exclusive dependence on any one of the super-powers, and especially that it must not allow a super-power to establish military bases on its territory or belong to a military alliance such as Nato or the Warsaw Pact. Thus Algeria itself enjoys good relations with both the Soviet Union and the United States, and while it is heavily dependent on Moscow for military supplies its economy, as shown above, is closely connected with the West and America. For many leading Algerians, the most respected foreign leader today is the *doyen* of non-alignment, President Tito of Yugoslavia.

Algeria's diplomacy aimed at changing the world economic system and establishing a New Economic Order is directly connected with its commitment to national independence and non-alignment, and indeed it is in this field that President Boumedienne, as Chairman of the non-aligned countries between 1973 and 1976, has made his greatest impact on the world stage. For Algeria the greatest limitation on the independence of the nations of the Third World today is their poverty and the dependence of their economies on the industrialized world. As President Boumedienne himself put it to the non-aligned conference in Colombo in August 1976: 'The field of international economic relations has become the main ground for confrontation between the holders of the outdated order inherited from colonial domination, and the peoples who are aspiring to build their own road to progress and prosperity in dignity and freedom.'

It was as host to the non-aligned conference in September 1973 that Algeria first called for a change in world economic relations, suggesting the convening of a Special Session of the United Nations General Assembly to discuss the problems of raw materials and development. At the time, this initiative commanded relatively little attention, but following the Arab oil embargo and the quadrupling of oil prices at the end of 1973, when the producers of a major strategic raw material for the first time proved that they could wield power and shift the balance of wealth by concerted action, significant impetus was given to Algerian diplomacy. President Boumedienne called for an Emergency Session of the General Assembly on Petroleum, Raw Materials and Development, which took place in April 1974. At this meeting the Algerians put forward a strategy for achieving the 'New World Economic Order'. They made two main recommendations: first, that all Third World countries should gain control of their own resources by nationalization and by establishing control over the machinery for fixing prices; secondly, that there should be a major international aid effort for the poorest countries. This was followed by a call for a conference between raw material producers and consumers; such a conference convened in Paris in April 1975, only to collapse over the American refusal to agree to Algeria's suggestion that all raw materials—and not just oil—should be included on the agenda. However,

at the UN Special Session in September 1975 the US position softene and in December 1975 the Conference on International Economic Co-operation (CIEC) convened in Paris—an event seen in Algeria as a majo success for its persistent diplomacy.[4]

However, the CIEC failed to live up to Algerian and Third Worl expectations. Although it dragged on intermittently until May 1977, al that was agreed in the end was that a 'Common Fund' should be estab-lished to stabilize the earnings of raw material producers; but by the en of 1977 even that seemed to be far from fruition. The Algerians blame th failure of the CIEC on the West's—and particularly America's—refusa to give up its hegemony in the world economy. More precisely, the argue that the only way in which the industrialized world will ever agre to the demands of the Third World is under pressure, when the poore countries possess sufficient leverage to deal with the rich countries on a equal footing. In their view, the sudden wielding of power by Opec i 1973 scared the West into agreeing to give the Third World a hearing but as soon as the oil 'crisis' passed and the danger of spiralling oil price or another embargo receded, the need for the West to meet Third Worl demands faded.

For the Algerians, the failure of CIEC marked the end of a phase o diplomacy for which they had been largely responsible. Their contri-bution was recognized when the former Algerian Trade Minister Layachi Yaker, was appointed to the commission set up under the chair-manship of the former West German Chancellor, Willy Brandt, to kee some form of dialogue going. The Algerians have no objection to th Brandt Commission, but they point out that only government-to-government negotiations will ever produce substantive action in fou main problem areas: the terms of trade, aid, the burden of debt and th conditions for technology transfer. And they express a gloomy convictio that a satisfactory resolution of these problems will have to await a growt in the collective power of the Third World.

Algerians always lay stress on the principled character of their foreig policy, and see the challenging nature of their moral positions as th reason for the political hostility of the West and the ambivalence wit which Algeria is regarded by its Arab, African and Third World allies However, although it would be wrong to deny the place of ideologica principle in Algeria's foreign policy, the overriding concern of the coun-try's leaders is to build a powerful, prosperous and influential Algeria. I the case of Algeria's involvement in the Saharan struggle, ideology an pragmatism go hand in hand—but it is an uneasy combination.

[4] See L. Turner, 'The North–South dialogue', *The World Today*, March 1976

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Note of the month

BITTER TEST FOR ITALY'S NEW GOVERNMENT

On 16 March the Italian Parliament in record time accorded a massive vote of confidence—545 votes to 30—to the new single-party Christian Democrat Government of Signor Giulio Andreotti, who had headed the previous administration. Earlier that day the eminent Christian Democrat leader, Aldo Moro, himself a former Prime Minister who had played an important part in the negotiations leading up to the formation of the present Government, had been kidnapped by terrorists of the extreme-left Red Brigades who had shot dead his five bodyguards.

This outrage, while effectively overshadowing the new Government's advent to power, tragically emphasized the need for it to act swiftly to combat this attack on the established foundations of the state.

It had taken 54 days of arduous negotiations to produce this Government. Its new feature is that the Communist Party no longer, as before, merely supports the Government indirectly by its abstention in parliamentary voting: it will now vote officially and formally in favour of a Christian Democrat administration and have a stronger say in the preparation of legislation. Its adherence will give the Government its largest parliamentary majority in three decades.

Signor Andreotti's previous Government, which fell on 16 January, had itself had a long life by Italian standards. It was the outcome of the general election of June 1976, when, following the big advances made by the Communists, the still predominant Christian Democrats had agreed to accept their indirect support by abstention. This compromise had been maintained for 18 months largely owing to Signor Andreotti's astute leadership and to the cautious forbearance of the Communist leader, Enrico Berlinguer. Yet another factor was the situation in the country itself, for both leaders realized the need to put up a united front against inflation and terrorism.

The Communists had come a step nearer to playing an active role in policy-making through the agreement of last July between all the six parties supporting the Government on a common programme covering both economic measures and law and order. That agreement was the result of demands from the Communists and Socialists for a greater say in policy-making. But it had proved shortlived, for in December those two parties, now joined by the small Republican Party under its energetic

leader, Ugo La Malfa, put forward fresh demands, contrasting the gravity of the country's crisis with the inadequacies of the minority administration. This time they called for an emergency 'government of unity and national solidarity' with the Communists in it. On the Christian Democrats' rejection of this demand they withdrew their support, thus leading to the Government's fall. On 19 January President Leone called on Signor Andreotti to form a new administration.

The subsequent negotiations dragged on against a background of continued economic difficulties, unemployment, student revolt and extremist violence and terrorism. American warnings against the participation of Communist parties in West European governments only served to anger both sides. Neither side wanted to face the alternative of a general election, which might well result in merely strengthening the existing position of both the major parties at the expense of the smaller ones. Moreover, both sides were aware that a government formed now would, in any case, have to offer at least a token resignation at the year's end—for elections for the President of the Republic are due in December. Among the likely candidates, incidentally, is Aldo Moro.

These considerations helped towards bringing the two sides closer to agreement. The Communists, while maintaining their long-term aim of a 'historic compromise' with the Christian Democrats, gradually, with trade union support, whittled down their demands until, in early March, they were prepared to accept, instead of a place in the Government, agreement on a programme presented by Andreotti to all the six party leaders, involving measures for stiffer economic austerity and for dealing with crime and political extremism. The programme did not accede to two of the Communists' particular demands, for further nationalization and for unionization of the police. But it was specifically stated that no change would be made in foreign policy, including Italy's continued adherence to Nato and the EEC. The Christian Democrats, for their part, while rejecting any idea of a broad pact which might be interpreted as a political alliance with the Communists (something that their right wing regarded as 'unthinkable'), agreed—largely as a result of Moro's mediation—to accept Andreotti's proposals for a joint programme with limited and precise objectives. The programme also secured agreement from the smaller parties except for the Liberals, who, unwilling to accept association with the Communists, decided to go into opposition.

The next step was to settle the composition of the Cabinet. The Communists and Socialists rejected the inclusion of a Social Democrat and the idea of bringing in some non-party technicians was abandoned. Consequently the Cabinet which Signor Andreotti announced on 11 March differed only in details from its predecessor. Two Ministers were dropped, being replaced by former Under-Secretaries. Most of the key posts remained unchanged, but there was a significant reshuffle in the

three economic Ministries, the former Treasury Minister, Gaetano Stammat, going to Public Works while the ex-Finance Minister, Filippo Maria Pandolfi, moved up to replace him. The Cabinet, in fact, still reflected concessions to the various factions within the Christian Democrat party: Moro himself was said to have advised the minimum of change as a means of reassuring right-wing Christian Democrats still fearful about the admission of the Communist Party to the parliamentary majority.

The massive vote of confidence which the Government secured on 16 March bore witness to the need to unite under the shock of Signor Moro's abduction by Red Brigades earlier that day. The timing of this outrage was significant. The Communist Party had agreed to give further support to the 'establishment', which the extreme-left groups regarded as a betrayal of their cause; and the trial of 15 founder-leaders of the most prominent amongst them, the Red Brigades, had just reopened in Turin. That trial had already been twice postponed owing to intimidation of lay jurors. In April 1977 Red Brigaders had shot and killed the Chairman of the Turin Lawyers' Association; and on 10 March, just before hearings were about to be resumed, they had shot dead a former anti-terrorist squad police chief who had been instrumental in the discovery of Brigade hide-outs in Turin and in the arrest of several of their leaders.

The Red Brigades are only one of Italy's numerous extremist groups—of both Left and Right—in revolt against society; but it has been prominent during the past two or three years in claiming responsibility for shooting and 'knee-capping' attacks on medium-rank industrialists, Christian Democrat politicians and journalists. Last November the Brigaders caused the death of the respected deputy editor of the Turin daily, *La Stampa*. The Brigades were founded around 1970; Renato Curcio and his 14 companions now in prison (together with 33 smaller fry) are thought to be among the original members. But a number, probably to be reckoned in hundreds rather than thousands, continue to operate outside. Recent figures covering 150 arrested up to the end of last year suggest that they come from all parts of Italy, but chiefly from the North, where their main hide-outs are. Their average age is 23–33, and a good many of them have middle-class or educated backgrounds. There has been some suggestion of links with groups outside Italy, including the Baader-Meinhof gang, and comparisons have been drawn between Signor Moro's abduction and the recent Schleyer case—and also with a much remoter one, that of the Socialist leader and opponent of Fascism, Giacomo Matteotti, abducted and killed in June 1924. At the time of writing no trace had been found of Signor Moro despite the deployment of extensive investigations by 50,000 police in and around Rome.

MURIEL GRINDROD

Janus: the nuclear god

IAN SMART

The concept of what constitutes nuclear proliferation has been changing since 1970. The increased tension between energy and security needs cannot be resolved by any technical stratagem, but only by the reconstruction of an international political consensus.

BEFORE 1978 is out, it will be 25 years since President Eisenhower of the United States stood before the United Nations General Assembly to present his programme of 'Atoms for Peace'. The decision was his own; many of his advisers had urged that he concentrate national and international attention rather upon the appalling cost of atomic war, but Eisenhower, in December 1953, chose instead to urge the unexplored ability of nuclear energy 'to serve the needs rather than the fears of mankind'. The United States, far from pursuing its earlier and unavailing efforts to retain effective custody of nuclear technology and materials, would thenceforward seek actively to promote the world-wide exploitation of nuclear energy for peaceful purposes, provided only that the process was subjected to acceptable international control. The policy was not without potential advantage to the United States, both in economic terms and in terms of moderating international reaction to American military nuclear programmes. Nevertheless, as the euphoria commonly provoked by a new technology and now encouraged by Eisenhower spread, rays of sunlight seemed to break through the clouds which still hung in the memory above Hiroshima and Nagasaki.

The essential ambivalence of nuclear energy, gazing Janus-like towards both peace and war, had always been apparent. Bernard Baruch, the American representative on the United Nations Atomic Energy Commission in 1946, had pointed to it in his opening speech: 'Behind the black portent of the new atomic age lies a hope which, seized upon with faith, can work our salvation.' Eisenhower had that same sense, despite the fact that, by December 1953, the military portent had become still blacker. The Soviet Union had tested its first thermonuclear ('H-bomb') device only weeks before the President's speech. All the more, therefore,

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was his 'Atoms for Peace' proposal an act of faith. It reflected a belief in the potential effectiveness of international organizations as instruments of regulation and control, even in so difficult an area. Above all, it reflected a conviction that, offered the opportunity, governments and peoples, knowing the curse of nuclear weapons, would recognize also the promise of civil nuclear energy—and, even if its fulfilment entailed some inconvenience, would choose the promise.

As more civilian reactors began to generate electricity in more countries, largely with American assistance, the promise gained in substance. Yet the curse remained, and, as the ability to exploit nuclear energy increased and spread, the United States was not alone in struggling to find some means to ensure that the possession of nuclear weapons did not also proliferate. The International Atomic Energy Agency (IAEA) made no progress towards becoming that unique world repository of nuclear materials once envisaged, but it did succeed in developing a system of international safeguards which, even if imperfect, greatly reduced, when applied, the danger that a civil nuclear programme might be used covertly to produce military weapons. Meanwhile, the United Nations and the Eighteen-Nation Disarmament Conference (ENDC) laboured for more than 20 years to produce an international agreement banning—and also effectively inhibiting—an increase in the number of nuclear-weapon states, before, on 1 July 1968, the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) was opened for signature.

The NPT regime

The NPT prohibits the international transfer of nuclear weapons, the acquisition of nuclear weapons by any non-nuclear-weapon state, and the assistance or encouragement of such a state to manufacture nuclear weapons. It demands, moreover, the application of IAEA safeguards to those ends. It adds, however, a general requirement that there should, at the same time, continue 'the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy.' In its approach to both faces of the god Janus, it represents, therefore, an elaboration exactly of that thesis which had informed the 'Atoms for Peace' programme: that the ability to make every possible civilian use of nuclear energy should be bestowed upon all those who undertake, within some appropriate framework of international control, to eschew the possession of nuclear weapons themselves.

Significantly enough, and despite the words of the NPT, that thesis had never previously been advanced, at least by the United States, without at least implicit qualification. Nuclear reactors for the generation of electricity are fuelled with uranium, frequently (but not always) enriched in the fissile U-235 isotope, or with its fissile derivative, plutonium. If sufficiently enriched, however, uranium constitutes also the basic

material for a nuclear explosive, as, when separated and concentrated, does plutonium. Uranium and plutonium are thus ambiguous. So, therefore, is the industrial technology needed to enrich the one or to separate the other. On that ground, from the very beginning of the 'Atoms for Peace' programme, the United States had refused to reveal to others certain features of its uranium enrichment technology. Similarly, the other nuclear-weapon states, despite the fact that two of them were also ready to subscribe eventually to the NPT principle of 'fullest possible exchange', had jealously guarded their own enrichment technologies. By 1968, however, the situation seemed to be changing. Uninhibited by any international undertaking to the contrary, scientists in a number of non-nuclear-weapon states, including Japan, West Germany, Sweden, the Netherlands, Italy, Australia and South Africa, were known to be experimenting with uranium enrichment. Reports of informal collaboration between them multiplied. More formally, Britain, West Germany and the Netherlands agreed to work together on the commercial development of one particular enrichment technique, the gas centrifuge, with the explicit aim, in part, of its exportation. France, meanwhile, approached a number of other countries, principally within Western Europe, to explore the possibility of co-operation in a new enrichment plant of the gaseous diffusion type. The United States, after some hesitation, showed every sign of following suit; even before the NPT was signed, officials of the State Department and the Atomic Energy Commission were talking freely of communicating gaseous diffusion technology to other signatories, or of bilateral agreements with such countries as Japan or Australia for its joint exploitation, while both Administration and Congress were actively discussing the transfer of American governmental enrichment plants to private ownership. Steadily, therefore, the principle adumbrated in the 'Atoms for Peace' programme and made explicit in the NPT seemed to be approaching final canonization: that all that is not prohibited is permitted, and is even to be encouraged, and that there is prohibited only the acquisition of nuclear explosives by additional states.

It seemed all the more reasonable to expect that uranium enrichment technology would come to be generally disseminated for peaceful purposes once the NPT existed because the other 'ambiguous' nuclear technology, that of plutonium separation, had never been similarly restricted. It is not, in fact, such a novel or demanding technique as enrichment, even if substantial difficulties attend its practical application, so that its retention by the nuclear-weapon states may never have seemed plausible. In any case, no consistent attempt was made to retain it. Indeed, numerous bilateral agreements for the export of civil nuclear reactors made since the 1950s by France, Britain and, most of all, the United States clearly presupposed that the spent fuel from those reactors would be reprocessed and its plutonium content extracted. In some cases, the supposition was

that fuel elements would be returned for that purpose to a nuclear-weapon state. In many cases, it was not. The European Nuclear Energy Agency (ENEA) had opened a reprocessing plant in Belgium in 1966. India had previously built its own plant, with technical assistance from Britain and other countries, at Trombay. Both Spain and Argentina completed small pilot reprocessing plants in 1967. Italy commissioned a larger pilot plant in 1969 and West Germany a larger one still in 1970, while Japan was still working on the design of a full-scale facility. There was widespread concern that the IAEA should develop new safeguards appropriate to such plants, just as there was concern that a number of relevant countries had not either signed the NPT or accepted IAEA inspection. There was no apparent thought at the end of the 1960s, however, that fuel reprocessing and the separation of plutonium must be the prerogative of the few; provided that the principle of effective international regulation also enshrined in the 'Atoms for Peace' policy was respected, reprocessing was to be treated as a generally available component of the civilian nuclear fuel cycle.

Changed assumptions

Between 1970 and 1975, and especially in the later years of that period, the assumptions upon which both the 'Atoms for Peace' programme and the NPT had been founded underwent a notable, but largely unnoticed, transformation, particularly in the United States. As a result, by 1976, the idea of privately owned American uranium enrichment plants was dying, the thought that American enrichment technology should be offered to other countries was effectively dead, and the expectation that reprocessing and plutonium separation would become a normal part of the nuclear fuel cycle throughout the world was in a state of imminent collapse. During the American Presidential election campaign of 1976, each of the leading candidates, President Ford and Governor Carter, declared his determination to excel the other in restricting the international availability of enriched uranium and separated plutonium. On 29 October 1976, President Ford made it official. In a long and clearly argued statement, he asserted, in particular, the danger of separated plutonium and announced a series of policies to reduce it. 'The world community,' he said, 'cannot afford to let potential nuclear weapons material or the technology to produce it proliferate uncontrolled over the globe.' Accordingly, the United States would no longer regard reprocessing and plutonium separation as 'a necessary and inevitable step in the nuclear fuel cycle'. Domestic reprocessing would be suspended. Efforts would be made to persuade all relevant countries to join in a three-year moratorium on the transfer of enrichment or reprocessing technology to others. Conversely, preference would be given, in export policy, to recipient countries which renounced, or at least deferred, re-

rocessing or enrichment plans. There would be a renewed attempt to stablish an international regime, preferably under the IAEA, for the torage of separated plutonium, spent reactor fuel and radioactive waste. Sanctions would be invoked against any country violating a nuclear afeguards agreement. In return, the United States would work to proide recipient countries with a firmer assurance that those who accepted he necessary restrictions on their activity would have available not only ivil nuclear reactors but also secure supplies of fuel for them.

The message was clear. Whereas the prevailing assumption in 1970 ad been that the ability to enrich uranium and separate plutonium under iternational safeguards formed part of the proper entitlement at least f those non-nuclear-weapon states which had formally renounced uclear weapons, the premise of President Ford's 1976 statement was hat this was no longer to be the case. Nuclear proliferation, which had een defined in the NPT as the acquisition of nuclear weapons by addional states, was henceforward to be interpreted in practice as including lso the acquisition of the fissile raw material for weapons—highly eniched uranium or plutonium—or of the ability to produce it. The change vas considerable. What, however, had brought it about?

There were some, not least in Western Europe, who suspected an American attempt to secure or retain a commercial advantage: to preerve, in fact, the substantial foreign earnings already or potentially owing to the enrichment and reprocessing industries of the United States. Their suspicion was not without some foundation in experience. The American domestic nuclear energy market had, for example, been fficially and entirely closed to foreign uranium producers between 1966 nd 1974, to the great advantage of domestic mines and to the almost fatal etriment of the industry in Canada. Then, in 1974, the United States ad brusquely announced that, to reduce pressure on existing capacity, t would accept no new foreign contracts to enrich uranium, even with hose who had bought American reactors on the understanding that a upply of fuel for them was assured. There were no good grounds, hower, for suspecting that the policies announced in October 1976 represented a cynical commercial ploy. The American reprocessing industry vas equally constrained, while the enrichment industry was in need of no further protection.

Closer to the truth was the supposition that the American Government, by 1976, had belatedly become aware of the sheer size of the problem which plutonium seemed likely to pose in the future. About 10 kilograms of plutonium is commonly thought enough to make a nuclear weapon. With demand spurred on by higher oil prices from 1973, plans for nuclear eactors now implied the *annual* production of something like 75 tonnes of plutonium by the mid-1980s—enough for 7,500 bombs. If the capacity o separate that plutonium were diffused throughout the world, could

any conceivable form of international regulation ensure that 1 per c(of it—or even 0·1 per cent—would not be surreptitiously diverted governments, or even stolen by terrorists? And, if diversion or theft w(to occur, might the material not be converted into a weapon too quicl to permit the pre-emptive intervention of either diplomacy or force? W it not, then, reasonable to confine the most sensitive stages of the fı cycle—plutonium separation as well as uranium enrichment—to the f(countries which already had nuclear weapons, and in particular to t United States?

That line of argument certainly played its part. It was not, however, t decisively novel factor; exactly the same dangers and possibilities h been rehearsed and assessed ten years earlier, during the negotiation the NPT. In order to give it new and greater force, sufficient to mo American policy, a sense of more immediate danger than in 1968 w needed. Two sets of events, in 1974–5, combined to add that sense.

The first train of events was that which led, on 18 May 1974, to nuclear explosion in the Rajasthan desert. The implications were co fused. India was the first country to test its first nuclear explosive sin China in 1964. It was also the first to do so since the conclusion of t NPT and the associated elaboration of a stronger system of IAEA sa guards. More importantly, it was the first state known to have manufa tured a nuclear explosive by clandestine diversion of fissile material frc an ostensibly civil programme and by using plant, equipment and tec nology provided by other countries for its civil use. Finally, it was t first clearly 'non-aligned' nation to develop and test such a device. All that dramatized and argued the significance of the case; these we exactly circumstances which the bulk of international efforts to av(nuclear proliferation had been intended to avoid. Yet there was anoth side to the story. India had not signed the NPT, nor had it accepted t application of IAEA safeguards to its nuclear programme, so that explosion could not be regarded as a failure of either instrument. In sor measure, therefore, the deductions inspired by the event were ambivale One consideration, however, tipped the balance: India had obtained fissile material, in the form of plutonium, from an indigenous reproce sing plant, without which its nuclear explosive would not have existed.

The second set of events to stir alarm in Washington borrowed much its apparent significance from the Indian case. In the aftermath of t 1973 'oil crisis', as the demand for nuclear energy, especially in the larg developing countries, increased, the international competition betwe potential suppliers of nuclear reactors became fiercer. Between 1974 a 1975, before the market collapsed under the pressure of economic rece sion, orders for the import of no less than 26 new power reactors we placed by countries outside the Soviet bloc. At the same time, the new reactor export industries of France and West Germany were struggli

to break into a market formerly dominated by American companies (with the very active support of the US Export–Import Bank). Both new sellers and new buyers saw an opportunity. France, in pursuit of closer relations with a major oil exporter, agreed in 1974 to supply a series of reactors to Iran as part of a complex arrangement which permitted Iran to become a partner in the construction and operation of a new uranium enrichment plant in France. West Germany, having also secured Iranian reactor orders, signed an agreement in June 1975 with Brazil (a non-signatory of the NPT) which went much further; in addition to eight reactors, Brazil was to receive its own indigenous enrichment and reprocessing plants. Shortly afterwards, France followed suit, to the extent of agreeing to supply both South Korea and Pakistan with reprocessing plants as well as reactors. Especially in the light of the Indian nuclear test, the implications were enough to alarm many in Washington and elsewhere.

New guidelines

The American reaction to these two sets of events was immediate but initially quiet. No public denunciation of the Indian nuclear explosion was issued, somewhat to the relief of the Canadians, who had supplied the research reactor and nuclear fuel used by India to prepare for it. Instead, the American Government moved behind the scenes to revive and expand a private colloquy of nuclear exporters to seek agreement on a common code of self-restraint. From April 1975, that Nuclear Suppliers Group (NSG), otherwise known as the 'London Club' and including not only the major nuclear countries of the OECD but also the Soviet Union, worked to develop such a code. At the same time, the United States made every effort during 1975–6, through diplomatic channels, to block objectionable portions of the West German-Brazilian, French-South Korean and French-Pakistani agreements. South Korea was induced to withdraw its bid for a reprocessing plant. France, although formally maintaining its position, let it be known informally that it would also avoid the export of a reprocessing plant to Pakistan. In contrast, West Germany, like Brazil, was adamant, and also increasingly irritated by American pressure. By the end of 1976, substantial agreement had nevertheless been reached in the NSG on a general code of conduct. The resulting 'guidelines', after some revision, were not publicly released, however, until the beginning of 1978—by which time they had been overtaken, in at least some respects, by the adoption of a still more exigent American national policy than that outlined by President Ford in October 1976.

The NSG guidelines do not prohibit the export of either enrichment or reprocessing plants, although they insist on the application to them of rigorous international safeguards and urge also that suppliers encourage the alternative of multinational facilities. In April 1977, however, Presi-

dent Carter, who had been outspokenly critical of both French and West German nuclear export policy during his election campaign, announced that the United States would defer reprocessing and plutonium separation indefinitely, delay the development of fast breeder reactors (which produce substantial quantities of plutonium), and continue to prevent the export of enrichment or reprocessing technology, in return, once more, for assurances to other countries of secure fuel supplies and also in return for an international effort to identify alternative nuclear fuel cycles less likely to increase the risk of proliferation. His motive was clear; the danger of nuclear proliferation, he said, 'would be vastly increased by the further spread of sensitive technologies which entail direct access to plutonium, highly enriched uranium or other weapons-useable material'. His chosen policy, spelled out again at the London summit meeting of May 1977, has since been pressed with sometimes clumsy or abrasive enthusiasm at the international level. On the one hand, American proposals to establish an international nuclear fuel bank and to take over spent fuel from foreign reactors have been offered as an inducement. On the other hand, use has been made of the suspension of American supplies of enriched uranium to other countries as a lever. Nor has the enthusiasm always been consistent. In April 1977, President Carter assured countries such as West Germany and Japan that 'they have a perfect right to go ahead and continue with their own reprocessing efforts'. Thereafter, however, strong American pressure was put upon Japan to defer the full activation of its reprocessing plant at Tokai-Mura, just as steps were taken later to make it clear that the United States did not encourage the expansion of reprocessing capacity in Britain.

The International Nuclear Fuel Cycle Evaluation (INFCE) proposed by President Carter in April 1977 is now in train and will continue until the end of 1979. Under its auspices, scientists from industrial and developing countries are seeking technical responses to the dangers which both President Carter and his predecessor have identified. Whatever their eventual success, there is inherently little prospect, however, that science can eliminate those dangers. It would, indeed, be naive to expect as much. The fact is that, now and for the foreseeable future, the nuclear generation of electricity will both consume and produce fissile material of kinds which, with readily plausible adaptation, can be used to make nuclear weapons. Modifications of technique or practice may reduce the consequential risks, but they will not remove them.

Political Issue

It is for that reason that the primary focus should still be fixed not on the technical discussions which recent American policy statements, above all, have provoked, but upon their political context. Nuclear proliferation, despite its technical form, has never been other than a political

issue, determined not by the capacity of states which exploit nuclear energy for civil purposes but by their will. The present American Administration seems to be learning that lesson; certainly, its political activity in the field has become far more adroit and less abrasive since January 1977. No adroitness can, however, conceal the fact that the United States, supported to very different degrees by at least some other advanced countries, has contrived, since 1974, fundamentally to change the philosophy of non-proliferation. The philosophy of the NPT, like that of the 'Atoms for Peace' programme, was that all the fruits and all the tools of nuclear energy, save only nuclear weapons, should, in principle, be at the disposal of all nations, albeit subject to international inspection and control. The philosophy of current American policy is that not only weapons but also the wherewithal to make them (even if it is also the wherewithal of civil nuclear autonomy) are to be withheld, and that the technologies of uranium enrichment and plutonium separation are therefore also to be numbered among the forbidden fruits which not even international safeguards can legitimize.

The new philosophy is attractive, and even logically persuasive. Nuclear proliferation is a real, and arguably increasing, danger. Moreover, the gap between highly enriched uranium or separated plutonium and a nuclear weapon is not a large one, in either money or time, and the United States has done a substantial service in reminding the world of that fact. It is not surprising, however, that its manner of doing so has aroused alarm and resentment, especially on the part of countries less favourably endowed than itself with sources of energy. Criticisms that the rules of non-proliferation have been changed in the middle of the game, particularly for non-nuclear-weapon states which had already signed the NPT, are inevitable and now common. Possibly more significantly, there is also an apparent and widely recognized risk that countries expecting to depend heavily in future on nuclear energy may be prompted by a restrictive attitude to the export of enrichment and reprocessing technology to insist all the more strongly on finding some means of avoiding dependence on others for those purposes. All too obviously, therefore, there is a risk that the policy now espoused by President Carter may eventually encourage the multiplication, rather than limitation, of enrichment and reprocessing plants.

That last risk is a striking illustration of the truth that neither technology nor the actions of any one country or group of countries can placate the nuclear Janus. Both the raw materials and the scientific knowledge relevant to nuclear energy, civil or military, are widely scattered throughout the world. At least for the next twenty years, both must be widely exploited if many countries are to have a sufficient supply of energy to ensure economic and social welfare. Those countries will not easily accept any status of nuclear dependence pressed upon them by others. They

will accept assistance and advice, and may well accept new forms of multinational co-operation, not least in the interest of reducing the risks of nuclear proliferation. The two years of the INFCE must be well used to that end. Inevitably, however, the prospect of a new and more secure international nuclear regime, built upon the NPT without destroying it and reflecting the right of all its members to enjoy the promise of Janus without his curse, must depend for its realization upon the international politics of consensus. The previous consensus has been shaken. It can be rebuilt, but only, once more, by the application of sensitive political intelligence. And, as Einstein said when asked to explain why nations had not already eliminated the insane possibility of nuclear war, 'politics is more difficult than physics.'

No progress at Belgrade

RICHARD DAVY

The Belgrade meeting came up against the present limits of détente, which it helped to define, but the commitment to the Helsinki Final Act saved it from total failure.

NOBODY knew quite what to expect from the first review of the Helsinki Final Act of 1975. Skirmishing started well before officials of the 35 signatory states gathered for preparatory talks in Belgrade in June last year. By the time the main conference started on 4 October 1977 the basic positions of the three main groups—Nato, neutrals and non-aligned, and the Warsaw Pact—were clearer but still in some respects tentative.

The main aims of Nato were a full review of how the Final Act had been implemented, a reaffirmation of the commitments contained in it, a discussion of practical proposals for putting more life into its execution, and an agreement on another follow-up meeting. There were differences of emphasis among the Nato partners. President Carter felt closely watched by American public opinion for signs that he might be retreating from his commitment to human rights. At the same time he did not want serious confrontation with the Soviet Union. He gave the almost impossible job of reconciling these two considerations to Mr Arthur Goldberg, who combined a proven commitment to human rights with experience as American Ambassador to the United Nations.

The Nine were also under pressure from newly awakened public interest in human rights but took a rather more cautious position than the Americans, believing that practical results were more likely if the Russians were not too sharply provoked. The West Germans were particularly anxious not to endanger their sensitive arrangements with East Germany. The French Government had to consider the coming election. The British promised, in the words of Lord Goronwy-Roberts, to combine pragmatism with idealism.

The neutrals and non-aligned had differences among themselves but shared a general concern that the fabric of détente should not be torn by violent disputes over human rights. Hence they worried about Western tactics, while they broadly supported the substance of Western positions on most subjects, including human rights. Some also had a special interest in military confidence-building measures. The Swiss continued

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to press their ideas on the peaceful settlement of disputes, and also developed proposals in the field of information.

Since Romania had its own ideas on a number of subjects, this left the Soviet Union with solid support only from Czechoslovakia, East Germany, Bulgaria, Poland and Hungary, and of these only the first three really shared the Soviet fear of discussion on the humanitarian sections of the Final Act. Poland and Hungary felt confident enough to confront the West with a reasonable though far from perfect level of compliance. The Russians therefore looked nervous and vulnerable as the conference approached. In spite of Western assurances that they were not going to be put on trial before world opinion, they still feared acrimonious clashes over human rights which would be played back to the peoples of their area through radio broadcasts from the West. They had given away more than they intended at the Helsinki conference and were deeply unhappy at the way in which the human rights and humanitarian sections of the Final Act had been taken up by Western public opinion and by dissidents in Eastern Europe and the Soviet Union.

The Russians therefore came to Belgrade with one main aim, which was to limit the damage as much as possible and to divert attention from human rights with calls for disarmament, conferences on the environment, energy and transport, and other pleasant-sounding proposals. They wanted no separate review of implementation exposing them to criticism and they rejected as 'interference' the whole idea that participating states should criticize each other's performance. They proposed that each delegation should merely describe what its Government had done to implement the Final Act and then listen respectfully to similar declarations of virtue from the others. They warned darkly that if the West criticized them they would unleash a barrage of attacks on Western violations of human rights in Ireland, for instance, or in regard to American Red Indians or the right to work. But when they found that the West would welcome this as legitimizing the principle of mutual criticism they became cautious. At one point during the debates they fired a few volleys in response to some particularly well-aimed barbs from the Americans, only to find Mr Goldberg happily welcoming the beginning of true dialogue.

The Western delegations could draw on huge quantities of material accumulated not only by their own government departments but also by institutions and private groups in West and East. A vigorous monitoring industry had been generated by the Final Act. In the United States, the Commission on Security and Co-operation in Europe, comprising members of Congress and the Administration, produced voluminous reports and received semi-annual reports from the President. In Britain, reports were produced by the David Davies Institute and by the Defence and External Affairs sub-committee of the House of Commons Expenditure

Committee. Elsewhere, there was similar activity, while in the Soviet Union and Eastern Europe unofficial monitoring groups sprang up—and were persecuted for their pains. The broad conclusion of all this work was that, in spite of some progress, implementation had been disappointing, and in some fields there had been regress.

Opening statements

This was reflected in the opening speeches. Mr Goldberg said progress still fell short of expectations aroused by the Final Act. He listed actions undertaken by the United States to implement the Final Act, such as removing restrictions on Americans travelling abroad, but he then went through a catalogue of reproaches against others on subjects such as the supply of economic information, access to archives, jamming of broadcasts and divided families. He also expressed 'vigorous disapproval of repressive measures taken in any country against individuals and private groups whose activities relate solely to promoting the Final Act's goals and promises'. This was one of many references to Orlov, Shcharansky and others imprisoned for setting up monitoring groups in the Soviet Union. Speaking for Britain, Lord Goronwy-Roberts expressed 'my Government's profound disappointment at the meagre level of progress achieved' in certain areas, and emphasized the importance of individuals and non-governmental organizations in ensuring successful application of the Final Act.

Mr Vorontsov, head of the Soviet delegation, set out his position by warning the West off confrontation and emphasizing the importance of maintaining a favourable atmosphere in inter-state relations. 'Psychological warfare,' he said, should be eliminated from the ideological struggle. And as for human rights, they were guaranteed in the Soviet Union by the system itself, which ensured full employment and free medical care and education. For the rest, he concentrated on the Soviet proposals mentioned earlier.

When the meeting went into closed sessions for the review of implementation, the Western delegations began to speak somewhat more bluntly but the Nine, in line with a general understanding reached among them, mostly held back from making specific accusations against countries or mentioning names of individual people. This did not, however, prevent some fairly plain speaking, particularly on the Prague trials that took place at the time. The West Germans were also blunt about the importance of human rights and mentioned, among other problems, 40,000 people denied permission to emigrate to West Germany. The United States delegation tried at first to solve its problem of combining restraint inside the meeting with publicity outside it by making references to violations of the Final Act and then hurrying out to give the press the names of the individuals affected. It quickly moved out ahead of the Nine

in the vigour and detail of its criticisms, one of its first ploys being to bring in the impressive Professor Joyce Hughes, a black from Northwestern University, Illinois, to give detailed evidence on interference with mail between the Soviet Union and the United States. Mr Goldberg then produced very specific information on families denied travel documents. And so it went on.

The British approach during this part of the meeting, as explained in the White Paper (Cmnd 7126) published in March, was to be 'frank and detailed in listing those points in the record of other states which required criticism and called for improvement, but to avoid heightening the tension by concentrating on individual cases where practical results were unlikely . . . leaving more specific representations for the usual government to government channels. . . The aim was thus to test the receptivity of the Soviet Union and its Allies to reasoned and reasonable criticism.'

In the event, as the White Paper admits, 'the Soviet Union and its Allies did not respond as satisfactorily to Western criticisms as had been hoped. They refused to acknowledge shortcomings and engage in a dialogue. Nonetheless, the review took place. Detailed criticisms of all aspects of the record of the Soviet Union and other Eastern European Governments were made. The Soviet Union and its Allies stayed at the meeting and listened to these criticisms, many of which touched on areas highly sensitive for them. This itself is an important new event in East–West relations.'

New proposals

When the time came for new proposals, the piles of documents began to mount rapidly. About 90 proposals were tabled, approximately a quarter by the neutrals and non-aligned and the rest divided almost equally between East and West. The Warsaw Pact proposals included the familiar conferences on energy, environment and transport, personal security at international, cultural and sporting events (a matter which seems to preoccupy the Soviet Union quite a lot), non-first-use of nuclear weapons, seminars for restorers of historical and cultural monuments, non-admission of new members to alliances (an effort to keep Spain out of Nato), and co-operation in the publication of encyclopaedias. The neutrals and non-aligned had proposals on arms control, inland waterways (Austria), co-operation among press agencies (Yugoslavia), working conditions for journalists (Switzerland) and many other subjects.

Nato and the Nine also covered a lot of ground, spreading their proposals deliberately over all three sections of the Final Act. Britain co-sponsored 22 proposals. Among those to which it attached particular importance were:

(*a*) A proposal designed to support monitoring groups in the Soviet

Union and Eastern Europe by formally recognizing the right of individuals to monitor the performance of governments. This had, of course, no chance of acceptance but the attempt had to be seen to be made for the sake of the public campaigns mounted on behalf of these groups.

(*b*) A proposal to renew the commitment of signatory states to the human rights provisions of the Final Act. This, too, had little chance in isolation, but seemed required by public interest in the subject.

(*c*) Detailed proposals to expand military confidence-building measures by notifying manœuvres below the 25,000-man threshold agreed at Helsinki, by notifying certain military movements and by other steps. These ideas were wholly realistic and supported by many neutrals and non-aligned.

(*d*) Proposals to improve economic and commercial information and to reduce difficulties encountered by Westerners working on projects in Eastern Europe. These were also realistic and useful.

(*e*) Proposals to limit the cost of travel documents to no more than the average weekly wage of the country concerned, to improve information on travel regulations, speed up exit permits, ease access to newspapers and improve working conditions for journalists. These, too, could have had a chance of acceptance.

Before much serious negotiation could be done on these proposals the meeting had to move on to draft a concluding document. The differences here proved insurmountable. The Russians would not accept any form of words indicating that there had been shortcomings in implementing the Final Act. They revealed their vulnerability by appearing to assume that even if no country were mentioned by name the accusing finger would be seen to be pointing at them, thereby giving even more ammunition to zealous monitoring groups in East and West. They also rejected any specific references to human rights and showed little interest in any of the West's proposals for deepening implementation.

The West had little to bargain with. Before Helsinki it had been able to buy concessions in return for the summit conference on which the Russians had set their hearts. At Belgrade the Russians wanted nothing but to escape as quickly as possible from the firing line. This was not enough to tempt them into making significant concessions. Having given away too much at Helsinki they were not going to make life even more difficult for themselves by giving away more at Belgrade. Yet the West could not accept a document which suggested that all was well with the Final Act, or which picked out only those parts of it which the Russians like. This would be the betrayal for which public critics were waiting. Deadlock seemed almost complete.

On 7 December the neutrals and non-aligned offered a fairly concilia-

tory draft saying mildly that détente had 'not yet acquired the scope, pace and quality envisaged by the Final Act' and that participating states resolved further to develop their co-operation in all fields. It also noted that governments, organizations, institutions and persons have a role to play, reaffirmed the importance of human rights and fundamental freedoms, and observed that in implementing the Final Act 'shortcomings, also including cases of non-implementation, calling for further action still exist.' The Russians did not like this, especially the last part.

On 16 December the Nine offered their contribution to an outline submitted by France. It came nowhere near being acceptable to the Russians. It said that certain principles in the Final Act had not been observed, that there had been a frank exchange of views on human rights, and that some institutions and persons had been prevented from playing the role accorded them by the Final Act. It also listed a number of shortcomings in the implementation of the humanitarian sections.

The Russians went home for Christmas and returned in a completely unyielding frame of mind. They presented their own draft on 17 January. It said nothing about any shortcomings, called for progress in arms limitations and disarmament, threw in familiar Soviet proposals, and had practically nothing to say on the humanitarian sections except once again that it was important to ensure the security of official representatives and citizens at sporting and cultural events sponsored by one country in the territory of another.

On 1 February the neutrals and non-aligned tried again with a longer draft including a lot of proposals on military confidence-building measures. The West would have been prepared to accept it as a basis for negotiation, but it contained a reference to shortcomings in implementation and spelt out some of them in the section on human rights. This damned it in Soviet eyes. The Russians then tabled three amended versions for their draft. They accepted the proposed experts' meeting on confidence-building measures, but included in the mandate a general reference to security which the West feared would open the door to floods of irrelevant propaganda on disarmament. The draft also contained much else that was unacceptable and, of course, no hint of shortcomings. On 16 February the French, who had agreed to stick with the Nine, suddenly surprised their allies by launching out with their own draft. Conciliatory though it was towards the Russians, it still contained unacceptable references to insufficiencies, to the role of individuals and the human dimension of détente.

Disappointing document

As it was now clear that there could be no substantive agreement, the West decided to go for an empty document intended merely to keep the Helsinki process going. But first, on 21 February, it tabled a full draft

merely to demonstrate what it would have liked. Then, on 4 March, Denmark tabled the bleak skeleton document that was to end the meeting. This recorded that 'different views were expressed as to the degree of implementation of the Final Act' and that 'consensus was not reached on a number of proposals submitted to the meeting'. But it struck a positive note in reaffirming the resolve of participating governments 'to implement fully, unilaterally, bilaterally and multilaterally, all provisions of the Final Act' and it registered agreement to another follow-up meeting to start in Madrid on 9 September 1980. In addition, it provided for a meeting of experts in Montreux, in October 1978, to discuss the peaceful settlement of disputes, a 'scientific forum' in Bonn starting on 20 June 1978, and a meeting of experts on the Mediterranean to start in Valletta on 13 February 1979.

Agreement on this document was held up for several days because Malta insisted that the Mediterranean experts should be free to discuss anything they wanted instead of being restricted to economic, scientific and cultural matters. The super-powers and most other participants found themselves in rare agreement in opposing this idea for fear of having sensitive political questions such as Cyprus and the Middle East discussed by 35 nations in Malta. Eventually Malta relented and a compromise was agreed making reference to the Mediterranean chapter of the Final Act, which refers to security, but stating firmly that the subject would be discussed at the Madrid meeting.

Balance-sheet

Looking back on Belgrade, the value of the meeting was in the government activity and public interest which it generated, and in the commitment to keep the Final Act alive. It brought under close scrutiny a great many aspects of East–West relations and helped redress a limited number of individual grievances. Nevertheless, it came up against present limits on détente and profound East–West differences over what détente means. In Western eyes, the Soviet Union is unwilling to make the necessary adjustments in its behaviour and outlook. In Soviet eyes, the West is not according proper importance to inter-state relations and is playing on human rights for propaganda purposes. Because of these differences it would probably have been impossible to obtain more at Belgrade, even with different tactics. This is, however, not accepted by many neutrals and non-aligned, who are bitterly disappointed at the behaviour of both super-powers. They felt caught in the cross-fire and deprived of the influence which ought to be their due in such a gathering. The Swiss delegates were particularly critical of the polemics over human rights and said that bloc politics had played a larger role at Belgrade than at the Geneva negotiations which led up to Helsinki. It is certainly true that the American delegation often seemed to be addressing its home public

as much as the meeting itself, and this did not help the atmosphere, but it is difficult to see how there could have been an honest review of implementation without some fairly frank words on human rights.

The meeting spread itself over about nine months including preparatory talks and recesses for summer and Christmas. Such a lengthy operation cannot be repeated every two years. Some way will have to be found of making Madrid shorter, crisper and more productive. One way of doing this would be to try to get some practical proposals negotiated beforehand. It will also be necessary to do some more thinking on the proper balance between the public relations aspect of these meetings and the search for concrete results. At the same time the value of a thorough and fairly public review of implementation must not be lost sight of. Without it there would be insufficient stimulus for effective monitoring between meetings.

Yugoslavia: the Constitution and the succession

ADAM ROBERTS

Some of the procedures of the 1974 Yugoslav Constitution are explicitly designed to reduce the problems that might arise with the death of Tito.[1]

CONSTITUTIONS of one-party socialist states are very different both in content and in function from the constitutions (whether written or unwritten) of multi-party liberal democracies. If one had to summarize crudely what might be called a 'Western' view of what constitutions are about, one would say that constitutions essentially provide a set of rules of the game: they broadly determine both the powers of state institutions and the mechanisms by which control over these institutions can pass from one party to another. In socialist states, on the other hand, where only one political party is permitted to exercise power, even though other minor political parties or groupings may exist, the role of the constitution as a set of rules for the transfer of political power is limited. One might therefore do better to look to the ruling party's statute for guidance as to how fundamental political decisions are to be reached or disputes resolved: not to the state's constitution. The fact that Marxists tend to view constitutions as superstructures, whose actual foundation is the system of economic relationships in a society, only accentuates the tendency to play down the role of the constitution as a significant factor affecting the outcome of important conflicts of interest.

Pace many Western observers, this does not mean that socialist constitutions are just windy rhetoric. Rather, it means that they concern themselves largely with aspects of national life other than the supposed 'non-issue' of the transfer of power. For one thing, they are a means of trying to reconcile theory and reality: for example, in explaining the importance of state institutions even within a socialist doctrine that prescribes their ultimate withering away. For another thing, socialist constitutions are

[1] Considering the international interest in Yugoslavia, and especially Tito's successor, there has been remarkably little foreign analysis of the 1974 Yugoslav Constitution. One rare exception is Hans-Christian Reichel, 'Die Neue Jugoslawische Bundesverfassung', *Osteuropa Recht* (Stuttgart), December 1974.

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often a means of summarizing, in fairly simple language, the whole nexus of rights and duties of citizens and public bodies: they may inter alia provide both a precis and a reinforcement of existing programmes or laws.[2]

In so far as a socialist constitution has the kind of role described, it follows that it must be peculiarly subject to change. As socialism is developed, as laws change, as social problems (e.g. pollution) are identified or re-identified, as new leaders seek to crown their achievements by summarizing them in an impressive form, so pressures naturally arise to amend or rewrite the constitution. And any rewriting that is done only serves to reinforce the tendency of socialist constitutions to be seen, not as a permanent and underlying set of rules under which decisions are reached and laws enacted, but rather as a complex of claims, promises, legal summaries, moral injunctions, procedural arrangements and political programmes, all of them important, but all of them reflecting the will of a particular regime and all liable to need redefinition over time. The history of socialist states confirms this tendency to constitutional change. In the post-war period, 13 socialist states have introduced, between them, no less than 29 new constitutions.[3]

Past Yugoslav constitutions

The Yugoslav Constitution, although it differs markedly from other socialist constitutions, shares with them many of the characteristics outlined above. Indeed, it has had more changes than any other socialist constitution—four new versions in the space of 30 years: 1946, 1953, 1963 and 1974.[4] Apart from these, no less than 42 amendments were passed between 1967 and 1971, altering or repealing many important provisions of the 1963 Constitution.

At times the status of the Yugoslav Constitution has been extra-

[2] In Yugoslavia, the role of the constitution as a summary of laws may be particularly important because of the bewildering variety of legal forms and practices before the revolution; because of the vast legal changes over the past 35 years; and because of the partial lack of codification of Yugoslav law. See A. G. Chloros, *Yugoslav Civil Law: History, Family, Property* (Oxford: Clarendon Press, 1970), pp. 7 and 37–8.

[3] Yugoslavia is not included in these 13 states, which are listed below with the dates of new constitutions or their equivalents: Albania 1946, 1964, 1976; Bulgaria 1947, 1971; China 1949, 1954, 1975; Cuba 1959, 1975; Czechoslovakia 1948, 1960; East Germany 1949, 1968, 1974; Hungary 1949, 1972; North Korea 1948, 1972; Mongolia 1960; Poland 1952, 1976; Romania 1948, 1952, 1965; Soviet Union 1977; Vietnam 1946, 1960, 1976. In addition, some of the above states have passed major constitutional amendments at various times. Sources include Jan F. Triska, *Constitutions of the Communist Party States* (Stanford, California: The Hoover Institution [1968]); A. P. Blaustein and G. H. Flanz, *Constitutions of the Countries of the World* (Dobbs Ferry, New York: Oceana Publications, 1971– , 14 vols.); and the revised third edition of Amos J. Peaslee, *Constitutions of Nations* (The Hague: Nijhoff [1965–70], four vols.).

[4] One useful critical survey of Yugoslav constitutional developments up to 1971 is Ivo Lapenna, 'Main Features of the Yugoslav Constitution 1946–1971', *The International and Comparative Law Quarterly* (London), April 1972.

ordinarily ambiguous. Thus the 115-article arrangement passed in 1953 was not called a constitution as such, but a 'Constitutional Law on the Bases of the Social and Political Structure of the Federal People's Republic of Yugoslavia and on the Federal Organs of Power'; and hand-in-hand with this 1953 law, parts of the 1946 Constitution were retained, under the undignified label of 'The Constitution of January 31, 1946 (Parts which have not been abolished)'.

The changes in Yugoslavia's constitutions have not been merely procedural in character, nor have they been politically unimportant. Fundamental issues which have been the subject of drastic change have included the delicate question of the rights of the individual republics and their relations with the federation. There have also been vast changes in the form, status and powers of the Federal Assembly, even the very name of which has altered: in the 1946 Constitution it had been called the National Assembly. The number of chambers of the Federal Assembly has veered between 2 (1946 Constitution), 6 (1963 Constitution), 5 (1968 amendments), and back to 2 again (1974 Constitution). Sometimes the arrangements outlined in the various constitutions have proved so ill-defined or complex that Yugoslav politicians and lawyers have found them hard to understand and even harder to implement. Yugoslavia, in short, has no recent experience of constitutions as a solid bedrock of political life.[5]

The tendency to constitutional change may owe something to the fact that Yugoslavia has had a much more extreme discontinuity of political elites than any other East European country, both because the war took such a heavy toll of political leaders, and because in 1945 Yugoslavia had a thoroughgoing revolution, rather than a change of regime. Furthermore, the new elite seems to have had the instinct, if an existing constitution was not working well, to change it completely rather than tinker with it in minor ways. Among the senior party leaders, Mr Edvard Kardelj has been particularly associated with the tendency to change the constitution from one basic approach to another, and to defend each successive approach with the same eloquence and fervour.

The frequent constitutional changes, though they do have the effect of diminishing the value of the Constitution as a permanent point of reference in a constantly changing world, paradoxically at the same time illustrate the importance Yugoslav leaders have attached to the *idea* of a constitution. Why else spend so much time and effort in this direction? Why else take the trouble to revise it substantially, even in between the major revisions, as was done with the constitutional amendments passed in 1967, 1968 and 1971? Why else produce so many articles and speeches

[5] Claims are sometimes made that the constitutional changes in Yugoslavia contain a strong element of continuity. For a particularly interesting analysis along these lines see Dr Jovan Djordjevic, 'The Continuity of the Socialist Revolution', *Review of International Affairs* (Belgrade), 5 December 1977.

explaining all the changes? Why else introduce (as was done in 1963) and maintain the important innovation of a Federal Constitutional Court armed with considerable powers? If the labour theory of value applied to constitutions, Yugoslavia's much-worked document would indeed be a priceless asset. As it is, the document is important enough to repay some examination, not only because it lays down some procedural rules but also because it is an important collective statement of aspirations about the future of Yugoslavia.

The 1974 Constitution and self-management

The Constitution of the Socialist Federal Republic of Yugoslavia, which was promulgated on 21 February 1974, is one of the world's longest. (Only that of India, another complex federal state, is longer.) It contains 10 statements of basic principles, followed by 406 articles, with the English-language version running to 250 pages. Also in 1974, new constitutions were brought into force in each of Yugoslavia's six republics and two autonomous provinces: they are not dealt with here. Even the Federal Constitution covers so vast a range of issues that a short summary is impossible. What is perhaps more useful is to examine critically what it says in areas most central to the question of post-Tito Yugoslavia.

One of the most important and controversial aspects of the 1974 Constitution concerns that characteristically Yugoslav political concept, self-management. In theory at least, 'self-management' goes far beyond the familiar but limited Western idea of it as workers' control of factories. It is seen as an underlying principle of all political life, a means of restricting the accumulation of political power at the centre, a guarantee against the abuse of power, and a device for making compatible the seemingly incompatible demands for a stable one-party state on the one hand, and for genuine democracy on the other. The 1974 Constitution both reaffirms and extends the doctrine of self-management. It provides, especially at the local level, both for the division of powers, and for certain controls over people occupying positions of authority.[6]

More importantly, the Constitution makes an elaborate attempt to extend the self-management system upwards: even the highest legislative body, the Federal Assembly, is called 'a body of social self-management' (Article 282), and its main chamber, the Federal Chamber, consists of 220 delegates of self-managing organizations and communities and socio-political organizations, who are elected by commune assemblies (Articles 284 and 291). The second chamber, the Chamber of Republics and Provinces, consists of 88 members elected by the republican and provincial assemblies from among their own members (Article 292). The

[6] Article 102, for example, stipulates that a member of the board of a business may not be elected to the workers' council; and that members of the workers' council are subject not only to re-election at least once every two years but also to possible recall and dismissal.

problem with all these provisions is partly the inherent difficulty of combining the element of decision-making from below with the equally desired element of co-ordination from above: part of the permanent Yugoslav dialectic between centralism and decentralization. This particular circle is squared by assigning an important role to the Socialist Alliance of the Working People of Yugoslavia (SAWPY) in drawing up the lists of candidates for delegations to the Federal Chamber (Article 291). The net effect of this arrangement is to raise doubts as to whether, at the central political level, self-management means as much in practice as it should according to the theory.

Such doubts were increased by the first elections held under the new system in April and May 1974. In stage one, approximately 820,000 people were elected to 'delegations' either by their Basic Organizations of Associated Labour (BOALs) or by their local communities.[7] In stage two, these delegations elected delegates to their respective communal assemblies. Then, in stage three, the communal assemblies elected delegates to the assemblies of the six republics and two autonomous provinces. In the fourth stage came elections of delegates to the two federal chambers.[8] What caused doubts about the new system was not just that in the third and fourth of these stages there is specific provision for influence from SAWPY, and therefore from its leading member, the League of Communists of Yugoslavia (LCY); it was also the sheer complexity of the system and the extreme indirectness of the voter's role. Moreover, as one writer has observed, the system of accountability proved impossibly cumbrous: 'If all the meetings and consultations required by the system's rules really took place, one might wonder when any Yugoslavs would have time for work or play.'[9]

The republics and the Federation

Historically, the problem of squaring constitutional circles has also arisen—sometimes in very sharp form—over the question of the relations between the individual republics and the centre. In constitutional terms, the result of the constantly evolving policies of the LCY is a continuing, but somewhat qualified, commitment to a federal structure.

That a federal structure should have been retained even after the Croatian crisis of 1971 may seem eccentric. After all, a key aspect of the

[7] See Petar Divjak's exhaustive analysis of the composition of delegations in *Yugoslav Survey* (Belgrade), February 1975, p. 54. If non-elected delegates are included, the figure is about one million.

[8] For a detailed exposition of the system of election of delegations, see the long article by Hrvoje Bacic and Milan Matic in the same issue of *Yugoslav Survey*. That the introduction of the delegation system has been accompanied by serious problems was recognized by LCY Executive Committee member Dusan Popovic in a speech in Belgrade, 6 January 1978.

[9] Dennison Rusinow, *The Yugoslav Experiment 1948–1974* (London: C. Hurst for RIIA, 1977), p. 332. Rusinow, incidentally, conflates the first two stages of the delegate election process as a single stage.

1971 events was precisely that Belgrade reacted strongly and decisively against the statements and actions of duly elected political leaders and other public figures in one of the republics, namely Croatia. Belgrade might thus be seen to have been acting contrary to the clear federal principles of the constitutional amendments (especially XXIX to XLI) which had become law earlier in that same year. The Croatian affair thus sadly confirmed the gap between constitutional prescription and the realities of power. The fact that the prescription was not subsequently replaced with one closer to reality might reinforce the already sufficiently strong scepticism about the Constitution.

Yet there were some revisions to the prescription. It is true that the strict limitations of the powers of the Federation, originally defined in 1971 in Amendment XXX, are largely preserved in the 1974 Constitution, Article 281. However, there are a few short but significant clauses increasing the powers of the Federation. Thus a new paragraph 2 of the listing of federal functions gives the Federation the right to 'ensure the system of socialist self-management socio-economic relations and uniform foundations of the political system' (sic). These words may not be as clear as one would wish, but their very openness to interpretation could be useful to the Federation when it finds itself involved in the affairs of a particular republic. In paragraph 6 there are some further significant accretions of power to the centre in clauses concerned with defence planning, and with the administration and command of the armed forces.

In another respect, too, the 1974 Constitution brings the prescription somewhat closer to reality. It makes the Federal Assembly more clearly answerable to the assemblies of the individual republics and autonomous provinces: indeed, both its chambers are now composed of delegates from the republics and provinces. The members of the Chamber of Republics and Provinces are, under Article 296, clearly answerable to their respective regional assemblies. Thus there is at least a possibility that inter-republican issues may be debated openly, and resolved more or less publicly, in the Federal Assembly. This marks a step away from the 'inter-republican co-ordinating committee', an extra-constitutional body which had a shadowy but powerful role after 1971, and the delicate negotiations on which had reduced the Federal Assembly to near-irrelevance. However, if the Federal Assembly elected under the 1974 Constitution is proving a more important body than its immediate predecessor, the fact that its composition is based entirely on republican and provincial divisions enhances the tendency, already very strong in Yugoslavia, for any issue, on whatever subject, to acquire an inter-republican dimension. This is not necessarily a recipe for trouble, but it clearly highlights the need of a means of resolving deadlocks or ironing out anomalies. In the Constitution at least, the basic mechanism for achieving these objects is the Presidency.

The Presidency

Among the many offices he holds, Tito is President of the Republic and President of the Party. The former office, unlike the latter, is entirely personal to him, and will cease to exist upon his death.[10] Indeed, one of the many official euphemisms for his death is 'the termination of the office of President of the Republic'; and one of the key passages of the 1974 Constitution is Article 328 which stipulates that in this event 'the Presidency of the Socialist Federal Republic of Yugoslavia shall exercise all rights and duties vested in it...'

This Presidency is already in existence, having been created in its present form in 1974. In accord with Article 321 of the Constitution of that year, it is a committee of nine men—one from each republic or autonomous province, plus the President of the LCY. All of the present members are leading party veterans. Under various articles it is given a wide range of powers: it has control over the armed forces, is in charge of state security, and has a limited but definite degree of authority over other federal bodies, including particularly the Federal Assembly.[11] Its authority over the central organ of government, the Federal Executive Council, as spelt out in Articles 320, 348, 352 and 356, is very striking.

Members of the Presidency are elected (one from each republican and provincial assembly) for terms of five years (one year more than members of the Federal Assembly). Article 324 specifies that they can serve only for two consecutive five-year terms.[12] However, the President of the LCY, who is the Presidency's only ex officio member, could presumably be a member indefinitely. The principles of accountability to the electing bodies, and of recall—otherwise so sedulously observed—are qualified as regards members of the Presidency.[13] All of this confirms the view that the Presidency could have considerable authority.

[10] On the role of President of the Republic, see Articles 333–345 of the 1974 Constitution. On the role of President of the LCY, see Articles 53, 66 and 67 of the LCY Statute, adopted at the Ninth Congress of the LCY in March 1969. The 1969 LCY Statute was amended in various ways at the Tenth Congress. There are to be further amendments at the Eleventh Congress in June 1978, which will include a strengthening of the role of the LCY President. (See Jure Bilic, quoted by Tanjug, 27 February 1978.)

[11] In this connexion it may be significant that the Federal Assembly, while being considered 'the basic constitutional factor in the Federation', is also specifically stated to be 'not the source of political power'. In other words, while it may pass constitutions and laws, it must also observe them. Dr Zlatija Djukic-Veljovic, 'The Assembly of the Socialist Federal Republic of Yugoslavia', *Yugoslav Survey*, February 1977, p. 4.

[12] This may leave open the rather theoretical possibility that a Presidency member could make a come-back after an interval. The same limitation to two consecutive terms (but in these cases of four years each) applies to the Presidents and Vice-Presidents of the Federal Assembly (Article 312) and to the President of the Federal Executive Council (Article 349). The stated aim of such limitations has generally been to 'prevent bureaucratization'.

[13] The Presidency is of course bound by the Constitution and by law: but this responsibility is not guaranteed by any special sanction. The Federal Assembly may not dissolve the Presidency or dismiss its individual members. Eight of them,

The Presidency is enjoined to elect a President and Vice-President. In both cases the term of office is only one year, but there is no explicit constitutional bar to prevent the same man being elected President (or Vice-President) two or more times, even consecutively. Extraordinarily enough, the Rules of Procedure adopted in early 1975 by the Presidency in accord with Article 315 of the Constitution say nothing about the rotation of the office of President or Vice-President of the Presidency, or about how members are elected to these positions.[14] Thus in theory an elected member of the Presidency could hold the office of President of the Presidency for 10 years, and the President of the LCY could conceivably hold the office of President of the Presidency for even longer. This is not bound to happen. So far the office of Vice-President has in fact rotated annually, and whoever is Vice-President when Tito dies would (under Article 328) become President for the rest of his year of office. The office of President of the Presidency *might* then rotate, as the reference to a 'schedule' in Article 327 seems to suggest: but an outcome along Swiss lines is perhaps less likely than the emergence of one man as President of the Presidency for a substantial period.

Considering the important position the LCY President is bound to have on the Presidency—as the only one of the nine members not specifically drawn from one single republic or province—his chances of being President of the Presidency must be above average. Thus the party's leading role, the precise character of which has been the subject of a long and continuing debate in Yugoslavia, could be underwritten and extended by the Presidency arrangements. Indeed, in general it is true that the 1974 Constitution, by making explicit references to the role of the League of Communists of Yugoslavia, gets closer to the realities of political life than did its predecessors.[15] Yugoslavia is therefore, and in its own particular way, part of a trend in socialist constitution-writing—namely to make explicit reference to the leading role of the Party. All the socialist states now do this, with the exception of North Korea.

All this is a very fundamental change from the 1971 arrangements for the Presidency. Under the 1971 constitutional amendment no. XXXVI, the Presidency had three members from each republic, and two from each autonomous province, making a rather cumbersome total of 22 (or 23 during Tito's lifetime). Although members were elected for the same term as in the 1974 Constitution—namely five years—they were banned from serving even a second consecutive term. Moreover, under paragraph

being elected by the republican and provincial assemblies, may only be recalled by them. See Zlatija Djukic-Veljovic, *loc. cit.*, p. 19.

[14] The 82 articles of the Rules of Procedure on the Work of the Presidency of the SFRY were published in *Sluzbeni list SFRJ* (Belgrade), 7 March 1975.

[15] See the mentions of the LCY in Introductory Principle VIII of the 1974 Constitution and in Article 321. See also the reference to the LCY under the heading 'Socio-political organizations' in the explanation of terms which follows the Constitution.

16 of that 1971 amendment there were arrangements, not included in Article 327 of the 1974 Constitution, for the annual rotation of the office of President of the Presidency.[16] There was no specific provision for representation of the LCY President on the 1971 Presidency. These 1971 arrangements, like the 1974 ones up to the present time, never came under a substantial test, because by special provision (Amendment XXXVII) Tito was President of the Presidency, with no question of rotation or limitation of office.[17]

In the much stronger form of the Presidency as laid down in 1974, the framers of the Constitution are clearly seeking an institutional means of ensuring that after Tito's death the potential centrifugal tendencies of the self-management system, and of the state's federal structure, can be contained. Indeed, the Presidency has already sought to play precisely such a role, especially in its 'continuous co-operation, negotiation and agreement' with the separate presidencies which have been set up in each of the republics and provinces.[18]

There are, of course, grounds for scepticism about the Presidency arrangements. For one thing, it is highly significant that, having been introduced in one form in the constitutional amendments of 1971, the Presidency had to be drastically altered and reduced in size from 23 to nine members. Thus the curse of discontinuity which had bedevilled so many Yugoslav constitutional arrangements has dogged even the Presidency. For another thing, it is quite obviously impossible for any committee, or for any individual it should elect as President of the Presidency, to take over the role of Tito. If the Presidency functions effectively, it will not be by the extraordinary mixture of martial charisma on the one hand, and constitutional informality almost amounting to a political *droit de seigneur* on the other, which has characterized Tito's rule.

Constitutions are pre-eminently documents which need to be subjected to 'dynamic' rather than static analysis: that is to say, one needs to ask how relevant the provisions would be in particular situations or conflicts. As far as the Presidency is concerned, the situation which could transform all is any state of war or immediate danger of war. Such a state can, under Article 316, be declared by the Presidency itself if the Federal Assembly is unable to meet. And in any such state of war, or danger of war, the Presidency can pass decrees, suspend certain provisions of the

[16] This omission of the rotation requirement has been ignored by many observers, who have tended to assume that the 1974 Presidency arrangements are similar to those of 1971. See for example the treatment in Richard F. Starr, *Communist Regimes in Eastern Europe* (Stanford, California: Hoover Institution, 1977), pp. 203–4; also in A. Kh. Makhnenko, *The State Law of the Socialist Countries* (Moscow: Progress Publishers, 1976), pp. 383, 386. The material on developments since 1972 is by B. A. Strashun.

[17] An arrangement which was continued in the 1974 Constitution (Article 333).

[18] From the Presidency's report to the Federal Assembly, reprinted in *Yugoslav Survey*, November 1976, p. 18.

onstitution (Article 317), extend the term of office of the Presidency and ; President (Articles 325 and 327) and enable the President to exercise her functions (Articles 328 and 337). Some or all of these provisions ay be necessary for the maintenance of strong centralized control of ugoslavia's extraordinarily decentralized defence system. But these provisions could conceivably also be used in an internal crisis, as a basis for e imposition of central authority.

rmy role

Constitutions also need to be subjected to a test of realism: do they fer room for the actual or potential political forces in a society? To those ho look to a future multi-party system in Yugoslavia, the Constitution fers no great encouragement.[19] But proponents of regional autonomy or tellectual freedom will find plenty of support. The question of the my's political role is larger and more difficult. The Yugoslav People's rmy is already a politically important factor—so much so that it has :en called Yugoslavia's ninth province. Its importance can be seen in ırticular crises (especially the Croatian affair of 1971–2), in state ›pointments and in the LCY Statute. But precisely because the army's ›le is to some extent institutionalized already, and because the army adership supports the maintenance of strong central authority in key eas (as envisaged in the arrangements for the Presidency), it is likely .at the army would be able to work within or alongside the 1974 Constition. This is especially so as the simplified system of control of the med forces, and the enhanced role given to the Defence Minister in rticle 316, must have been welcome in the army.[20]

Yugoslavia has probably not reached the end of the road so far as conitutional changes are concerned. Indeed, already in May 1974, when he as speaking on the new Constitution at the Tenth Congress of the CY, Tito said: 'Most probably, new problems and contradictions will ise.' And in autumn 1977 Edvard Kardelj published a new study which ıggested the need for 'a critical review of our political system and easures to adjust the system to changes in the socio-economic and selfanagement structure of society...'[21] But there was no evidence that he

[19] However, democracy *within* the LCY is another matter. At a press conference Belgrade on 21 February 1978, Stane Dolanc, the Party Secretary, announced at a new provision for the LCY statute is being considered for presentation to e Eleventh Congress in June. It would allow an LCY member, after a decision ıs been adopted, to retain a view differing from the view of the majority but with e obligation to implement the decision of the majority.

[20] The Defence Minister since May 1967, Nikola Ljubicic, is himself an army :neral. He is one of three army generals on the 39-member LCY Presidium.

[21] From Tanjug summary (16 September 1977) of Edvard Kardelj, *Pravci ızvitka politickog sistema socialistickog samoupravljanja* (Belgrade: *Komunist*, :ptember 1977). This study was adopted shortly afterwards by the LCY entral Committee Presidium as a platform for the further development of ugoslav society.

was thinking in terms of immediate constitutional revisions, and the Eleventh Congress of the LCY, to be held in June 1978, does not at present have any on its agenda. When changes do come, they may well be on matters which have scarcely been touched on here. For example, the status of Kosovo—an issue of which the LCY leadership is well aware—may eventually need re-examination. The population of this autonomous province is larger than that of some of the republics and is still growing. Why then should Kosovo have less representation in the Federal Assembly than Macedonia or Montenegro? Why should it not be a fully fledged republic?

It may not matter too much that the Yugoslav Constitution is not exactly graven in stone. If further revisions come, they will in all probability take the existing system as a clear point of departure. Thus, even if the 1974 Constitution should need substantial amendment in the years after Tito's death, or even before, the institutional arrangements it lays down will have provided one important framework for the management of the anticipated crisis. The very fragility of past Yugoslav constitutional arrangements, and the way in which one man, Tito, has played a crucial role on several occasions in defining the limits of political deviance, might only increase the likelihood that the opportunities the present Constitution offers for strong state leadership will be highly prized and fully exploited. By whom is a question beyond the formal terms of reference of the authors of the Constitution, and beyond the scope of this article.

Poland at the crossroads

ADAM BROMKE

THE Polish People's Republic is in the throes of the most serious crisis in its entire existence. The present difficulties reflect not just erroneous policies, but strike at the roots of the system itself. The ruling Communist Party seems uncertain as to how to cope with the situation, and its leader, Edward Gierek, is fighting for his political life. The opposition, in contrast, displays a mood of self-assurance, perhaps over-confidence. For the first time since the 1940s demands for a change of the system itself are openly and boldly articulated.

The workers' riots in Ursus and Radom in June 1976, in protest against drastic food price increases, left the Gierek regime badly shaken.[1] For several months afterwards the Government conveyed the impression of being totally disoriented—moving in different, and often contradictory, directions at once. The objectionable price increases were hastily revoked, but the authorities insisted that they were still necessary and would have to be reintroduced at a later date. The need for closer consultations with the workers was acknowledged, but severe reprisals were nevertheless applied against the participants in the June demonstrations. Amid widespread rumours of police brutality, several groups of workers from Ursus and Radom were tried and sentenced to lengthy terms of imprisonment. At mass rallies staged to demonstrate support for the Communist authorities, Gierek emphasized the need for national unity, while at the same time the press mounted a campaign against 'hooligans and firebrands'. Despite the admission of a major error of judgment on its part, no changes in the Government were forthcoming.

Economic retrenchment

It was only late in the year that the Gierek regime regained its composure and tried to come to grips with the problems. A meeting of the Central Committee held on 1–2 December 1976 addressed itself to the task of bolstering the sagging economy. In his speech on that occasion Gierek defended the economic policies of the first part of the 1970s as

[1] For an account of the events leading to the June 1976 workers' outbreak and the Communist government's initial reaction to it, see my 'A New Juncture in Poland', *Problems of Communism*, September–October 1976.

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'fruitful and creative', but he admitted that tensions had developed in the Polish economy.[8] These he blamed on adverse climatic conditions, which had resulted in poor grain harvests and a decline in livestock, and difficulties in foreign trade because of the recession in the West. There were also other shortcomings, such as an obsolete price structure, a tendency towards over-investment, a lack of co-ordination among various branches of industry, and inefficiencies which often resulted in the poor quality of goods. To cope with the deteriorating situation a 'New Economic Manœuvre' was adopted. In the next few months several further meetings of the Central Committee were devoted to elaborating and expanding this economic adjustment.

The New Economic Manœuvre was directed as much towards the preservation of calm in the country as to economic recovery. The price increases of basic foodstuffs were shelved and top priority for 1977 was given to improving the supply of the home market. To that end a drastic reduction in the overall level of investments, but an allocation of a greater proportion to consumer industries, was announced. Substantial additional funds were allocated to housing construction. Imports of industrial equipment, but, significantly, not of meats and grain, were cut down. More authority over distribution of profits was delegated to industrial units. At the same time, encouragement was given to private farming. Prices of agricultural produce were increased. Individual farmers were offered pension plans, and their prospects of acquiring more land were underlined. The small private enterprises that provide many crucial consumer goods and services were also promised more support.

All these measures were in the right direction, but they failed to bring about the desired results. If anything, in 1977 the situation at the market deteriorated even further. In addition to chronic shortages of meat, many other foodstuffs such as coffee or citrus fruits were in short supply. Although Poland is the world's largest per capita producer of coal, there was also shortage of this commodity. For the first time since the war, sugar was rationed and the queues became a familiar sight all over the country. Dissatisfaction and grumbling were evident. There were reports of scattered strikes in the coal mines, steel works and other factories.

Obviously, the Government had overestimated the speed with which it could accomplish economic recovery. Another bad harvest in 1977, due to heavy rainfalls, resulted in increased grain imports from the West. Poland's staggering debts to various Western countries—estimated at some 12 billion dollars—not only reduced the country's imports but also

[8] An excellent analysis of economic developments in Poland in the 1970s is presented by Zbigniew M. Fallenbuchl, 'The Polish economy in the 1970s' in *East European Economies Post-Helsinki*, Joint Economic Committee, Congress of the United States. See also Michael Gamarnikow, 'A new economic approach', *Problems of Communism*, September–October 1972; and Alex Pravda, 'Gierek's Poland: five years on', *The World Today*, July 1976.

:ompelled it to export many goods badly needed at home.[3] Moreover, the ·ffects of some of the newly adopted measures, such as the re-allocation ıf funds from heavy industry to agriculture and housing, are to be felt ınly in the long run. What the Government hopes for is that the results ıf the New Economic Manœuvre, combined with the coming to fruition ıf the substantial investments in industry made in the past, will eventually ase the crisis. But this is not going to take place soon. Several lean years .re clearly ahead for Poland.

There are signs that the roots of the crisis go deeper and reach beyond pecific policies into the heart of the economic system. When in October 977 the Central Committee met to review the results of the New Economic Manœuvre, its mood was sombre. There were still complaints bout poor co-ordination of various industrial activities and gross waste lue to inefficiency. On 5 November an influential Warsaw weekly, *Polityka*, proposed as a remedy a greater decentralization of economic lecision-making. In an article written by the Editor-in-Chief, Mieczysaw Rakowski, this was stated very clearly: 'Excessive centralization may esult in harmful curtailing of individual initiative. . . Overcoming the xisting difficulties ought to be linked as much as possible to decentralzation.'

There is no evidence, however, that *Polityka*'s advice was heeded. At he Party Conference held on 9–10 January 1978, Gierek once again riticized the economy for inefficiency and insufficient co-ordination mong its various branches, but he proposed no new measures to cope vith these problems. Price increases of basic foodstuffs were once more ıostponed. No reforms of the price-wage structure or of the methods of ılanning and management were undertaken. Evidently 'muddling hrough' in the Polish economy is to be continued.

The rise of opposition

After his coming to power in 1970, Gierek adopted a new political tyle which emphasized greater respect on the part of the Communist uthorities for the citizens' rights and a readiness to enter into dialogue vith the Polish people.[4] This, coupled with improvements in the standard f living, won the Gierek regime a measure of genuine popular sympathy.

[3] By the end of 1976 Poland's total indebtedness to the West stood at 10·4 illion dollars, but since that time Warsaw has negotiated several new Western ɔans. In order to level off Poland's debts by the end of 1980 its exports to the West vould have to be increased by over 10 per cent per annum, which is highly nlikely. Indeed, there is '. . . a significant probability that . . . Poland . . . will have ɔ reschedule its hard-currency debts around 1980': Richard Portes, 'East Europe's debt to the West: interdependence is a two-way street', *Foreign Affairs*, uly 1977, pp. 757, 780.

[4] The early policies of the Gierek regime are discussed in Adam Bromke and ohn W. Strong (eds.), *Gierek's Poland* (Praeger: New York, 1973), and also in ıe present writer's 'Poland under Gierek, a new political style', *Problems of Communism*, September–October 1972.

In the mid-1970s, however, with the return to more orthodox Communis policies, the good will among various segments of the society was largel squandered. There was a tightening of religious freedom and Church-State relations visibly deteriorated. Cultural freedom was also curbed and when, early in 1976, amendments to the Polish Constitution wer introduced, bringing it closer to the Soviet document, there were massiv protests by the intellectuals. The persecutions of the Ursus and Rador workers, after the Government had withdrawn the controversial foo price increases, were the last straw. At that stage, various discontente groups coalesced into a united opposition.

On 27 September 1976 the 'Committee for the Defence of the Workers (KOR) was openly formed. Among its original fourteen members ther were several distinguished intellectuals, a few elderly social democrats and a group of younger people consisting of the leaders of the 196 students' rebellion. The Committee appealed for the release of th imprisoned workers and demanded that a parliamentary committee b established to investigate the charges of police brutality. In its communiqués, issued regularly in *samizdat* form, the Committee asked for support for its activities from the Polish people. This was not long in forthcoming. Funds for legal and medical aid for the persecuted workers wer collected all over the country. Many intellectuals sent appeals to th Government, demanding the release of the prisoners. The Primate o Poland, Cardinal Wyszynski, also threw his enormous authority behin the Committee. Although stressing the need to preserve calm in th country, he strongly denounced the workers' persecutions. 'It is painful, he declared in one of his sermons, 'when workers must struggle for thei rights under a workers' government.'

The Government responded to the new challenge by zig-zagging between concessions and repression. Special efforts were made to appeas the Catholic Church. On 3 August 1976, the Prime Minister, Piot Jaroszewicz, ostentatiously sent Cardinal Wyszynski a bouquet of whit and red flowers for his seventy-fifth birthday. In a speech in Mielec o 3 September, Gierek declared that there was no conflict between th State and the Church and that all the outstanding problems could easil be resolved. The Church reacted coolly to the Communist overtures Late in November the Episcopate issued a letter complaining about ' secret conspiracy against God' and presented a veritable litany of grievances. In exchange for its co-operation the Episcopate demanded th removal of obstacles against building new churches, the unimpeded righ to hold catechism classes for children, the termination of atheistic propaganda in schools and universities, access to public media and an end t discrimination against Catholics holding public office.

Conciliatory gestures were also made towards the intellectuals. Late i January 1977 Gierek received the Chairman of the Writers' Union, an

few weeks later he held 'frank and open' discussions with a group of epresentatives of artistic circles. Early in March a film by Andrzej Vajda, 'The Marble Man'—highly critical of the Stalinist era, and not vithout some contemporary political overtones—was shown in all the najor cities in Poland. Some overtures were made towards the workers oo. On 3 February Gierek visited the factory in Ursus and promised lemency for the imprisoned workers. Indeed, most of them were soon uietly released. On 26 March *Polityka*, in an article entitled 'The roots f democracy', emphasized the need for more effective consultations with he workers. Meanwhile, however, five workers remained in prison. campaign against the Committee for the Defence of Workers was nounted in the press, and the younger members of KOR were systenatically submitted to police harassment and intimidation.

On 7 May Stanislaw Pyjas, a Cracow student and an active supporter f KOR, was found dead. The circumstances strongly suggested (alhough it is doubtful that it was in fact a premeditated murder) political ssassination. Students all over the country rose in protest. Requiem nasses were celebrated in all the university cities and some 2,000 Cracow students staged a candlelight procession. Tension was high—it vas feared that clashes between students and police might spark an open evolt. The Government responded by promptly arresting ten persons: ix younger members of KOR and four of its active supporters. This led o new protests from the intellectuals and the church hierarchy. In the ace of the mounting wave of popular indignation the Government elented. On 30 June, in a speech to the Polish Parliament, Gierek ledged to respect the citizens' dignity and to uphold the rule of law. On 3 July the KOR people, as well as the remaining five workers, were all eleased from imprisonment.[6]

The opposition activities, however, did not stop there. If anything, ney were even further intensified. In September KOR transformed itself nto a permanent 'Committee for Social Self-Defence', whose goals were efined as combating violations of the law and fighting for institutional uarantees of civil rights. Meanwhile, a similar group, called the 'Movenent for the Defence of Human and Civil Rights', came into existence. t has opened offices in five cities where people aggrieved by the Comnunist authorities are offered free counsel. During the events in Cracow ne 'Students' Solidarity Committee' was formed, and soon it established ranches at virtually all the universities in the country. At the same time ne *samizdat* periodicals proliferated. At present there are some fifteen ublications which appear regularly in mimeographed form, ranging om the purely literary to the avowedly political. In September a new

[6] For an interesting, although perhaps over-optimistic, account of the developnents in Poland in 1977 see Peter Osnos, 'The Polish Road to Communism', *oreign Affairs*, October 1977.

periodical, *The Worker*, addressed to the industrial labourers, wa launched. By now it is clear that several thousand people, a good man of them young, have become involved in the opposition activities i Poland.

On 20 October 1977 the Declaration of the Democratic Movement signed by 110 persons and published in still another new *samizdat* paper *The Voice*, was issued. It observed with satisfaction the progress in oppo sition activities and declared that the time had come for the Democrati Movement to assume co-responsibility for the fate of the country. I denounced the Communist system and proclaimed as its ultimate aim th restoration of democracy and sovereignty in Poland.

Disarray in the Party

In the face of the mounting economic and political difficulties, th leadership of the Polish United Workers' Party has maintained an out ward façade of unity. To some extent, in fact, the unity has been there After his coming to power Gierek skilfully disposed of all his potentia rivals in the Party and at the Seventh Congress in December 1975 h filled the key positions with his own men.[*] Since that time there have bee surprisingly few personnel changes. The only event of any consequenc was the shifting in December 1976 of a young and able Politbureau mem ber, Stefan Olszowski, from the post of Minister of Foreign Affairs to th Party Secretariat, where he was entrusted with the task of overseeing th New Economic Manœuvre. Premier Piotr Jaroszewicz, despite the fac that since the fiasco of the price increases his popularity in the countr plummeted, has managed to retain his post. Gierek evidently has bee reluctant to oust the Prime Minister, perhaps fearing that the changes a the top might not stop there.

It has been a *secret de polichinelle* in Warsaw, however, that beneath th surface serious differences exist among the leaders of the Polish Unite Workers' Party (PUWP). There has been no revival of clearly identi fiable factions, such as existed in the 1960s, but there have been increas ingly sharp divisions in the Politbureau and the Secretariat over som specific issues. The most significant among them, of course, have been th methods of dealing with the economic crisis and of coping with politica opposition. The moderate wing has favoured economic decentralization expansion of cultural and religious freedoms and more consultations wit the workers. In contrast, the hard-line wing has advocated centralize economic planning and management and tougher measures towards th opposition. The split has often, although not uniformly, reflected th professional preoccupations of various individuals. Persons responsibl for culture, science, agriculture and foreign affairs have leaned towards

[*] For a profile of the Gierek group see my 'La nouvelle élite politique e Pologne', *Revue de l'Est*, July 1974.

noderate course, while those concerned with ideology, Party affairs and nternal security have favoured the hard line. Gierek and his closest sup-orters have oscillated between the two groups, although, since the spring f 1977, they have moved closer to the moderate wing.

The tug-of-war between the opposing Party wings has from time to ime surfaced in the press. The showing of 'The Marble Man' resulted n a controversy over permissible limits of cultural expression. On 4 April 977 the Warsaw daily paper identified closely with the hard-liners, *Zycie Warszawy*, denounced the film as a one-sided and distorted presen-ation of the Stalinist era. It was also revealed in the press, no doubt inten-ionally, that the attack continued at the meeting of the Central Commit-ee on 14 April. On that occasion the Secretary of the Party organization n Lodz, where the main centre of the Polish film industry is located, riticized 'The Marble Man' for serious ideological errors.

Even more heated polemics ensued over Rakowski's article in *Polityka* n which he advocated a decentralization of the economic system. On 3 November 1977 *Zycie Warszawy* published an article in which Dr Wladyslaw Ratynski, an obscure social scientist, but one who was evi-lently well connected among the Party hard-liners, viciously attacked Rakowski. He even accused the Editor-in-Chief of *Polityka* of an ideo-ogical deviation. In a pointed allusion to the economic reforms in Czecho-slovakia during the Dubcek era, Ratynski equated 'decentralized social-sm' with a 'market economy socialism' which, he concluded, inevitably eads to 'revisionism'. In the 19 November issue of *Polityka*, Rakowski, learly stung by the gravity of the charges, hit back hard at Ratynski. He ategorically repudiated the accusation that he wanted to go beyond the imits of the socialist system. If all the proposals to improve the existing ituation were branded as political deviations, he argued, harmful stag-nation would result. Indeed, Rakowski turned the tables on Ratynski and charged him with an attempt, by reviving the atmosphere of mutual ecriminations, to undermine the unity of the Party. Such practices, Rakowski concluded, had been compromised and repudiated a long time igo, while for the past several years PUWP unity had been fully restored.

Rakowski's posing as a representative of the dominant trend in the Party may have been tactically sound, but it does not accurately reflect the onstellation of forces in either the top leadership or among the PUWP ank and file. *Polityka*'s line undoubtedly has a broad appeal among the echnical intelligentsia—the managers and engineers who would like to ree themselves from the shackles of the central planners. They are, how-ever, counterbalanced by a powerful Party bureaucracy, especially well entrenched in the middle echelons, jealous of its prerogatives and reluc-ant to amend its autocratic ways.[7] At the Party's top, for the time being,

[7] It is interesting to note that the followers of the old, more nationalistic, partisans' faction, many of whom are still entrenched in the Party apparatus,

the moderates and the hard-liners are stalemated too. The zig-zagging in government policies has largely reflected the struggle between them. As the economic situation in the country deteriorates and popular pressure for changes intensifies, however, sooner or later the hard choices will have to be made. At this point the internal struggle in the PUWP is likely to be intensified with, ultimately, either one wing or the other gaining the upper hand.

The tug-of-war in the Communist Party is delicately interlinked with the activities of the opposition. Popular pressure, as long as it remains confined to proposals of reform within the existing system, is useful to the moderates. Too much pressure, however, could be counter-productive. The demands for a change of the Communist system itself play into the hands of hard-liners. In an article in *Polityka* on 10 September 1977, Rakowski subtly warned the opposition against this danger. He noted that there are people in Poland who, by presenting an excessively pessimistic picture of the situation, create a climate of nervousness and tensions. Such activities, in Rakowski's opinion, were not in the interests of the country.

Prospects and portents

Both the Communist Government and the democratic opposition are well aware that the outcome of their confrontation may be determined not only by internal but also by external forces. The opposition is confident that, if the danger of Soviet intervention in Poland were removed, they would prevail over the Government.[8] The opposition leaders also believe that, if pressed to the wall, Gierek would not invite Soviet troops, but that he would offer substantial concessions to the Polish people. This is because he understands that he could not survive such a major crisis. Soviet intervention would be a tragedy for the Polish nation, but it would be a catastrophe for the Gierek regime. In this respect their interests run parallel.

Furthermore, the opposition is convinced that even if the Polish Communists did turn to Moscow for help, in the present international climate the Soviet leaders would be extremely reluctant to oblige. If Moscow refrained from intervening in Poland with force in 1956, and again in 1970 (when, reportedly, Gomulka pleaded with Brezhnev for assistance), it is even less likely to take such a step today. The Poles would resist the invasion with arms and this would lead to a small-scale Soviet-Polish war. Poland, of course, would lose the conflict, but it would have grave conse-

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appear to be leaning towards the moderates. There were repeated rumours in Warsaw in 1977 that their leader, Franciszek Szlachcic, who was ousted from the Politbureau in 1974 in a major disagreement with Gierek over economic policy, is to return to the PUWP leadership.

[8] A concise exposition of the opposition strategy was presented by Adam Michnik on 16 December 1976 in *Le Monde*.

quences for the progress of East–West détente. Indeed, at least so far, Moscow's response to the new crisis in Poland has been remarkably circumspect. The Soviet leaders have continued to voice their full confidence in Gierek,[8] and have abstained from any public references to the activities of the Polish opposition. In November 1976 Moscow even offered substantial economic aid to Warsaw. In addition to the granting of a low-interest loan of one billion rubles, Soviet deliveries of grain and of some raw materials and consumer goods were considerably increased.

Nevertheless, there are limits beyond which Soviet patience had best not be tried by the Poles. Moscow probably would tolerate substantial changes in the existing system in Poland, as long as they were carried out in an orderly fashion and under the aegis of the Communist Party. Yet, the USSR is unlikely to accept, as some of the Polish opposition groups have demanded, Poland's assertion of sovereignty and adoption of democracy. The Russians, who are at present flexing their muscles in such far away places as Ethiopia and Angola, would not easily suffer, regardless of the consequences to East–West détente, a major setback in their own backyard. Should the need arise, as Ratynski's article clearly illustrated, they would also have little difficulty in finding the Polish Husaks in Warsaw.

It is not only the opposition but also the Communist Government which has been using East–West détente to its advantage. Gierek is well aware of the fact that rubbing shoulders with the Western leaders enhances his prestige in the eyes of the Poles, and this he has been exploiting to the full. Since mid-1976 he has exchanged visits with President Giscard d'Estaing and has received at home Chancellor Schmidt and President Carter. During his visit to Italy on 1 December 1977, Gierek had an audience, especially widely publicized by the Polish media, with Pope Paul VI.

Gierek's visit to the Vatican marked a new relaxation in State–Church relations in Poland. Even earlier, on 29 October, Gierek held talks with Cardinal Wyszynski. This was their first meeting, and it was conducted in a style as if negotiations between two sovereigns were taking place. The official communiqué issued on this occasion emphasized that the Polish Communist leader and the Primate of Poland exchanged views on 'the most important problems of the nation'. The formal aspect of the meeting accurately reflected political reality. Cardinal Wyszynski today is undoubtedly the most respected man in the country. His courageous defence of religious freedom and human rights has won him enormous prestige among the Polish people. At the same time he has consistently

[8] On 6 January 1978, on the occasion of his sixty-fifth birthday, Gierek received warm wishes from Brezhnev and was decorated by the Supreme Soviet with the Order of the October Revolution. It is worth while to remember, however, that when Gomulka reached the same age, on 6 February 1970, less than a year before he was ousted from power, he was similarly honoured by the Soviet Union.

followed a thoroughly realistic course, and whenever the danger of Soviet intervention has arisen, as in 1956 and 1970, he has appealed to the Poles for calm and restraint.[10] At present Cardinal Wyszynski is probably the only person in the country who could effectively check excessive demands on the part of the opposition.[11] Yet, he is unlikely to do so, unless, in return, Gierek would curb the hard-liners in the Party and introduce popular reforms in the country.

As one of the writers for the *samizdat* paper *Opinion*, Andrzej Woznicki, observed, Poland now stands at the crossroads. There is no return to the situation which existed prior to June 1976. The Communist regime has little choice but to offer meaningful concessions to the Polish people. Nothing short of this will defuse the present crisis. This reality was recently underlined by a group of veteran Communists, headed by a former PUWP First Secretary, Edward Ochab. In a letter issued in October 1977 they urged the present Party leaders to adopt a broad programme of democratization.

Should the Gierek regime fail to carry out popular reforms, pressure from the opposition will probably increase. In such a situation political forces in the country would become sharply polarized, with the danger that political events might overtake them all and necessitate Soviet intervention. Yet, this would not solve anything. Moscow's direct involvement in Poland would only defer, but not eliminate, the existing problems. Indeed, by intensifying the Poles' resentment against the Russians, it would precipitate another, even more bitter, political confrontation in the future.

It was almost exactly ten years ago, in March 1968, that the Polish students took to the streets in defence of cultural freedoms and their own national traditions. They protested against the banning by the Communist authorities of a nineteenth-century patriotic play by Adam Mickiewicz.[12] The Gomulka regime responded with repressions and many students' leaders were thrown into jail. Two years later Gomulka was ousted from power, and today the students' leaders of 1968 are in the forefront of democratic opposition in Poland. The lesson of these events for Gierek is obvious.

[10] For a penetrating analysis of State–Church relations in Poland, see Thomas E. Heneghan, 'The Loyal Opposition: Party Programs and Church', RFE Research, 28 February 1978 (mimeographed).

[11] Unfortunately, Cardinal Wyszynski's health is not good; in 1977 he twice underwent serious surgery. The Communist Government seems to be as much concerned about it as the rest of the country. When the Cardinal was hospitalized, official bulletins about his medical progress were issued regularly.

[12] Political developments in Poland in the late 1960s are discussed in my 'Poland's political crisis', *The World Today*, March 1969, and 'Beyond the Gomulka era', *Foreign Affairs*, April 1971.

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Themes in Japan's foreign relations

IAN NISH

Japan's foreign policy options are delicately balanced—as the Senkaku islands dispute has recently shown—but economic preoccupations are still its prime concern.

JAPAN's newspapers are currently giving prominence to two aspects of it foreign policy: its international economic dilemma and its China peac treaty. There is little doubt that it is the first of these that has priorit This reminds us of a change that has been taking place in Japan's foreig policy or, at any rate, in our foreign perception of it. For some time pas its foreign relations have generally been spoken of in terms of its politic relationship with 'the powers', in which Japan was alleged to maintain low posture, to be dragged along by its American ally, to be reactive or (a Japan's young radicals would have it) 'subservient' in its attitudes. Now however, it is clear that Japan's political links with other states are less c an issue than its economic relationship—both for Japan and for the othe state in question. In other words, it is its foreign economic relations tha are important rather than its foreign political relations, which are indee only an accessory to the other. Japan's economic and fiscal policies are, i present world circumstances, of necessity controversial and phrases suc as 'low posture' and 'subservient' are scarcely relevant in this context, nc to speak of the claim that Japan is being dragged along by its America ally.

To the historian, this change of emphasis comes as no surprise. Eve at the height of Japan's rise to world prominence in the inter-war perioc it was more concerned with securing supplies of raw materials and th availability of markets than with maintaining relations with particula powers. Manchuria was for it a source of materials, China an importan market. The countries of the British empire in Asia were both sources c materials and markets; and, when they came to be protected by tarif because of imperial preference, this became a serious factor in Japan' relations with Britain. Historically, economic relations have played a important a role as political in Japanese thinking.

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Japan's commercial unpopularity

Japan's preoccupation with economic factors arises from its dependence on imported materials. Its rapid industrial expansion in the 1950s and 1960s was based on relatively cheap energy resources imported from abroad; it bought 99 per cent of its oil overseas, particularly from the Middle East. The oil crisis of 1973 revealed the 'feet of clay' which underlay Japan's post-war industrial success story. When the Arab oil producers announced their embargo against countries which supported Israel, Japan was, by reason of its American alliance, assumed to fall in this category. Within a month Japan assumed a pro-Arab stance with the effect that it was designated as a 'friendly nation'. In the period that followed, senior Japanese statesmen toured the Middle East, offering aid on a lavish scale. Before long Japanese oil needs were met; the domestic shortage was overcome; but the price of oil supplies was quadrupled. In Japan as elsewhere, the result was a steep increase in commodity prices and a savage inflation. Yet national recovery was probably more effective than in other countries. This seems to have been due to Japan's success in capturing world markets in specified commodities. But its exporters have not always been sensitive to the consequences of their actions in recipient countries, which have complained that Japan has been 'exporting unemployment' in given industries. The United States, its leading trading partner, and the European Economic Community began to reiterate the frequent complaints about 'market disruption' caused by the import of Japanese cars, steel and colour television sets, which they had earlier made in the late 1960s.

The Japanese awakening to this growing unpopularity came with the sensationalized press coverage of the Doko mission. Mr Doko, the President of the Keidanren, visited the United Kingdom, Germany, France and Denmark in October 1976. His mission encountered many criticisms of Japanese actions and on its return to Tokyo reported its surprise at this reaction and its 'shock' at the intensity of the emotions expressed. In Britain, the 'shock' was perhaps less because British reaction had been foreseen. But elsewhere, and in West Germany in particular, the line taken was unexpected. Hence the 'Doko shock'. But anyone who has studied the dialogue on this subject can only conclude that this was an artificial shock rather than a genuine one. One can only speculate that the Japanese Government, knowing that its own people were inclined to doubt the intensity of anti-Japanese feeling overseas, decided not to play down the issue. It seems to have been assumed that it is difficult to get the Japanese, for linguistic reasons and because of problems of communication, to take seriously the flood of reports reaching Japan telling of their country's unpopularity, unless they were administered as a sort of 'shock therapy'.

The message which Mr Doko and other emissaries conveyed was the

growing feelings of protectionism which were developing throughout the world. Japan, whose industry in the 1950s had expanded under the protectionist system which was only slowly liberalized in the following decade, was the main target of this feeling. In 1976, when Japanese exporters earned substantial balance-of-payments surpluses with the United States and most other trading nations, threats from industries which claimed to be under attack increased. By the time of the London summit of leading industrial nations in May 1977, Japan argued strongly in favour of free trade being observed in international trading but admitted that it would have to stimulate demand more in order to encourage imports and thereby balance its trade. In an emergency budget introduced last September, the Prime Minister, Mr Takeo Fukuda, acknowledged that, if free trade was to survive, Japan would have to open its domestic market increasingly to foreign imports. When, however, the situation seemed to be getting out of hand, he found himself at the end of November forced to reshuffle his Cabinet. It was to be a Cabinet of economic emergency. But its task of reconciling internal needs with external demands was by no means easy. The internal need was to rectify the rising value of the yen which was threatening an economy based on an export industry which is thought (rightly or wrongly) to have become increasingly less competitive with the developing industries of its Asian neighbours. The external demand was the call from international opinion for Japan to stimulate imports. But this is by no means easy without injuring some sectors of industry or, more importantly, the agricultural lobby and the country voter on whom the governing Liberal-Democratic party (LDP) is heavily dependent, now that its once dominant majority in the Diet is crumbling.

After a series of concessions made on a piecemeal basis in the face of a strident American call for protectionist measures, the new Cabinet went some way towards resolving its trading disagreements with the United States in January 1978. It offered a complex package, including the liberalization of imports on certain specified commodities, thus tripling (for example) the import quotas on oranges, hotel beef and citrus juice. But the dollar–yen difficulties of recent months have cast doubt on whether the January deal can bring about a long-term solution and whether it was not really in the nature of a psychological gesture. At all events, it is inevitable that these bilateral trade problems will again be raised when Prime Minister Fukuda pays his scheduled visit to Washington to meet President Carter in May.

If Japan's economic relations with the United States, its ally during almost three decades, have been on the whole cordial and conducted in a spirit of accommodation, those with the rest of the world have not shown these qualities to the same extent. Not least significant are the complaints of the developing nations. In the South-East Asian countries which

Prime Minister Fukuda visited in August 1977, he heard the joint and individual difficulties from which the various members of ASEAN were suffering. In return he offered substantial quantities of aid and loans. Equally pressing have been the complaints of the advanced industrial nations, in particular the European Economic Community. A complicated dialogue has been proceeding over recent years with the threat of protectionist measures in the background. But, while the political need for Japan to keep on good terms with the United States has naturally given negotiations with that country a greater urgency, it seems that the need for accommodation with the EEC is a matter of lower priority. In a recent round of talks, the EEC representatives failed to obtain commitments by Japan to cut its surplus on current account with EEC countries or to increase the proportion of manufactured goods in its imports in future. One can only regard these exchanges as part of a continuing saga of request and counter-request which will go on for some time to come. But it is likely that Japan, like other strong currency countries, will come under pressure at the summit meeting of leaders of advanced countries due to be held in Bonn next July to play its part in restoring international currency stability.

Those inside Japan have a completely different perspective on its economic problems[1] from those outside the country. From the outside, Japan's problems appear to stem from the success of its economy. The sales overseas of Japanese cars, colour television sets etc are booming and the country's trading surplus is soaring, reaching an all-time high point in February 1978. Talk is therefore of cutting the current account surplus by encouraging imports. Inside Japan, there are indications that the recession is still not overcome and that recovery has been slowing down in recent months. This has resulted in unemployment in various sectors of industry and the bankruptcy of various firms—some of them, like the Eidai case, quite large concerns. Industrialists whose exports have been weakened by the appreciation of the yen are hotly opposed to the suggested increase in imports and to the suggested export quotas. The task of contriving a compromise between domestic and international considerations is a formidable one for the Government.

At the end of March, the Fukuda Government announced the general lines of its long-term economic strategy. As part of its programme it will aim to achieve a 7 per cent economic growth in the 1978 fiscal year. It will promote public works expenditure in order to reduce unemployment and rally those industries which have been specially hit by the effects of the world-wide recession. It will further endeavour by administrative guidance to restrict the amount of exports to the level of the past year. On this last point, it has steered clear of the unpopular course of placing restric-

[1] A Japanese view of these problems will be published in the June issue of *The World Today*.

tions on Japan's exports by quota arrangements as a means of stopping the appreciation of its currency. It is impossible to say how far these twin moves to stimulate the economy and at the same time to correct the balance-of-payments deficit will succeed. In the past year, the Fukuda Cabinet has been hampered by the fact that its predictions about growth and surpluses have often proved to be wide of the mark. It has therefore tended to be discredited when the actual figures have been compared with the estimates at domestic meetings or international gatherings.

The peace treaty with China

The other issue in Japanese affairs which is eating up much space in newspapers and weekly journals is the China peace treaty. In September 1972, Prime Minister Tanaka followed in the footsteps of President Nixon and visited Peking. By the Chou–Tanaka communiqué issued at the end of his conversations, the two countries agreed to 'normalize' their relationship. In the years that followed, they signed agreements governing trade, fisheries and shipping. In 1974, they concluded an air agreement, which led to retaliation from Taiwan whereby Taiwanese airspace was for a time closed to Japan's flag-carriers. But the natural instrument of normalization—a pact of peace and amity between the two countries—has eluded them so far. What caused the breakdown in negotiations was the Chinese insistence that a joint statement should be included in the treaty rejecting 'hegemony' by a third country in East Asia. Both parties were agreed in principle in opposing the existence of hegemonism. Indeed this message can be found in the Chou–Tanaka communiqué itself. But the Japanese have claimed that the inclusion of such a clause in a peace treaty would serve only to incur needlessly the opposition of third parties, especially the Soviet Union. After this position was reached, negotiations were discontinued. In any case, the Japanese public and the governing party were preoccupied with the Lockheed scandals,[3] while China was engrossed in domestic affairs arising from the deaths of Chou En-lai and Mao Tse-tung. In 1977, with new administrations installed in both countries, the question of the peace treaty again became an issue.

It was not immediately opportune for Japan to proceed. It was engaged in sensitive negotiations with the Soviet Union over fisheries. These had assumed new and serious importance because of the extension of Soviet territorial limits. Japanese fishermen have used the waters of the North Pacific, especially those off Karafuto (Sakhalin) and the Soviet Maritime Provinces, as historic fishing grounds for generations past. Moreover, there was the possibility that Japan might persuade Russia to alter its stance on the northern islands issue. It is the claim of the Japanese that Mr Tanaka, when he was on a visit to Moscow as Prime Minister in 1973,

[3] See the author's 'Japan's electoral prospects', *The World Today*, November 1976.

had been told by Mr Brezhnev that the Soviet Union was agreeable to settling unresolved questions left over from the Second World War. In considering its attitude towards Russia, Japan had to consider the prospects of some degree of economic co-operation in Siberia and also its vulnerability in the face of Soviet military strength in East Asia. When the Russians made it abundantly clear that they disliked the anti-hegemony clause which they interpreted as Japan joining the Chinese camp in the Sino-Soviet dispute, the Japanese had to weigh carefully the sacrifices they would have to make if they were to alienate the Russians.

It would appear that Japan has been moving away from Russia and towards China. In January 1978, the Foreign Minister, Sunao Sonoda, visited Moscow shortly after taking office and asked for the return to Japan of the four northern islands occupied by Soviet troops at the end of the war which it now claims. It appears that he met with a refusal. The following month, President Brezhnev made a special offer of friendship between the Soviet Union and Japan, but this was brushed aside in Tokyo in rather cavalier fashion. Even though formulae for a political understanding seem to be making little headway, there is a natural bread-and-butter relationship between the two countries which Japan cannot afford to break. The Soviet Union, for its part, wishes to steer Japan away from too great a commitment to China by modest accommodations.

These overtures have been accompanied by much toing and froing between Tokyo and Peking. In this, government supporters have taken part along with opposition leaders. Thus Mr Yano, the Secretary-General of the Komeito, the centrist party connected with the religious movement, Soka Gakkai, visited China in March 1978 and is thought to have given the Chinese leaders messages from the present administration. On his return, he reported to his Government on his exchanges of views. In all this he was repeating the service rendered by Mr Takeiri, the Chairman of the Komeito, when he went to Peking in 1972 in advance of the visit of the then Prime Minister, Mr Tanaka. Similarly, the Government has tried to use the services of Mr Asukata, the recently appointed leader of the Japan Socialist party, the main opposition party (with 123 seats as against 249 for the Liberal-Democratic party in a house of 511). Asukata was invited to China in March and spoke up in favour of the Sino-Japanese negotiations being resumed. He has also tried to persuade the Fukuda administration not to delay longer.

Favourable statements about the benefits of a new relationship with China are already appearing in the newspapers. The Japanese public, which is well used to the wiles of the public relations profession, describes these activities philosophically as 'mood-creation'. Part of this good mood may have been fostered by the important eight-year private trade treaty signed between businessmen at the end of February. It was not perhaps the answer to Japan's trading problems but it was certainly an indication

f China's readiness to assist. It is premature to say what the outcome of ll this will be. Much depends on the wording which can be worked out ver hegemony. But certainly the Prime Minister, Mr Fukuda, has said ıat 'the time is ripe' and the Foreign Minister, Mr Sonoda, is known to e anxious to advance the cause of a peace treaty with China. Neverthe-ss, there are problems which can only be resolved in Japan at the highest arty level.

oreign policy decision-making

One of the reasons why the Japanese devote so much attention to the hina issue is the insight which it provides on Japan's decision-making ıd on foreign policy-making in particular. There is of course much ımour-mongering in Japan about the secrecy of the government process ıd the complicated procedure that has to be followed to ensure consensus oth inside and outside the governing party. The China issue, which is ne of the issues on which opinion in the Liberal-Democratic party is plit, has become a natural focus for journalistic speculation. It is not ıough to obtain a decision from the Cabinet. There is need first to reach ı accommodation with the faction leaders of the LDP. 'Faction' may be ı inappropriate term to use since factions were recently disbanded ficially after they attracted a flood of criticism for weakening the party's erformance at the last election in December 1976.[8] But the reality is that ıe former faction leaders still hold the loyalty of their followers and have › be appeased. This is necessary because the Cabinet itself is a balance f forces between these leaders and because in December 1978 the Prime Iinister will stand for re-election as party president. Behind the scenes ıere is a discreet tussle for leadership going on and it is essential for the arty leader in his own interest to carry with him the largest possible umber of party members. Be that as it may, the party is split: groups onnected with Mr Ohira and Mr Tanaka are in favour of signing the eaty; those associated with the Seirankai and the former Prime Iinister, Mr Kishi, are opposed. It is, of course, not a completely ear-cut division. Some who are opposed do so on account of the ıbstance of the treaty; others are more swayed by timing, procedure c.

For Prime Minister Fukuda, the advice of Mr Kishi in favour of ıution is especially awkward. Kishi visited Taiwan recently and is one f the most influential members of the pro-Taiwan group in the LDP. ukuda is too indebted to him in the past to reject his advice lightly. It ould, of course, be possible to explain this as an example of the back-airs influence of elder statesmen in Japan. This would be no new henomenon. At any time during the present century there have been

[8] For the election results, see Ikuko Tsukahara Williams, 'Japan: a new leader-ıip', *The World Today*, February 1977.

elder statesmen who have enjoyed some influence over decision-making in an extra-constitutional way either as individuals or as a group. These influences have been tapering off in the 1970s; but personal loyalties are still so strong that they remain a factor to be reckoned with.

Turning to the LDP members as a whole, the Government has to accommodate several lines of criticism over undue haste in concluding the China treaty. The first is the vagueness of the terms thought to have been proposed combined with the avoidance of certain practical problems, notably the issue of the disputed Senkaku islands and the future of Taiwan. These are points of potential disagreement in future. The second is that China is quite open in declaring that the anti-hegemony clause is directed against the Soviet Union. This would draw Japan into the Sino-Soviet confrontation and would make for increased tensions. It is possible that the clause could in future be interpreted as being aimed at the United States; and this would sow dangerous dissension. In the background there is a sense of danger in Japan, which claims to be a non-ideological state, being drawn into a major dispute of an ideological kind.

Having tried to assuage the anxieties of his so-called colleagues and political allies, the Prime Minister has to seek consensus among the leaders of the opposition parties. At one time in the 1950s, such an attempt would have been fraught with difficulty. Diplomatic issues were then the very life-blood of political controversy. The governing LDP supported the retention of the security treaty with the United States, while opposition politicians in varying degrees wanted to sever American ties. Since those days of the Cold War, foreign questions have slipped quietly out of the list of divisive issues between government and opposition. In the 1970s some parts of the opposition are inclined to look more favourably on the American relationship and, by extension, to assist the Government on given issues. We have already seen how the Cabinet has used the good offices of opposition leaders during their visits to China. Fukuda's lieutenants have been active in mobilizing the support of other small opposition parties. In this way, he can legitimately claim to have tried to put the China issue above party. He has also tried to use the opposition's support of the China treaty to put pressure on the cautious wing of his own party.

From the point of view of domestic decision-making, the China peace treaty seems to have been an issue for politicians rather than for big business or for bureaucrats. For big business it has been rather a techical issue on which it has not taken a strong line. Japan's major trading partner is now, and in future will be, the United States, while the China trade[4] favours some traders more than others. In taking this attitude, there is a natural contrast with the trade problems (discussed earlier)

[4] For background on Sino-Japanese trade, see Alexander K. Young, 'Japan's trade with China: impact of the Nixon visit', *The World Today*, August 1972.

where the agricultural, trading and industrial lobbies have been conspicuously active. Turning to the bureaucrats, this does not appear to have been a place where they have had a predominant influence on the question, either positive or negative. None the less, a rumour has been circulating in Japan that prominent ambassadors concerned with the China scene have sounded a note of caution and urged against the precipitate adoption of China's proposals.

Bureaucrats have, however, involved themselves deeply in the trade question, which was treated earlier in this article. Here a special role is being played by Mr Nobuhiko Ushiba, who was appointed Minister for External Economic Relations in the Cabinet reshuffle in December 1977. It was a surprise that Ushiba as a non-politician should have been assigned this key political office. He served a term as Vice-Minister for Foreign Affairs in the late 1960s. This was followed by his appointment as Ambassador to Washington (1971–3), when he had great success as a silver-tongued persuader and made many American friends. The clue to his return from retirement to high office seems to lie, internationally, in his excellent command of English and his ability to argue in Western terms and, domestically, in his exceptional bureaucratic experience as head of the Foreign Ministry's economic section and later Director-General of MITI (Ministry of International Trade and Industry) in the 1950s. The contacts which he made among officials in those days have stood him in good stead recently in Kasumigaseki, the 'Whitehall' of Tokyo. It also brought him to the notice of industrialists and politicians. Hence the exceptional action of bringing Ushiba into a party cabinet, although he is not a member of either house of the Diet. It confirms that bureaucrats can, if they choose, maintain close relations with politicians and be one of the forces which go to the shaping of Japan's domestic and overseas policies.

This article may have suggested one change which has taken place in Japan's world standing over the last 10 years. In the 1960s Japan came into the news abroad only rarely, and then because of some major event such as the Olympic games or the Osaka EXPO. Today we have to consider its trade problems; aspects of its foreign relations; the pattern of its decision-making; and the personalities of some of its leaders. For Europeans, Japan is returning to the prominence it had for us in the 1930s.

Changing perspectives in East Africa

RICHARD HODDER-WILLIAMS

Kenya, Tanzania and Uganda have begun the acrimonious process of dividing the inheritance of the defunct East African Community.

THE East African Community is dead. No sooner had the new headquarters at Arusha been completed than its personnel began to disperse. In June 1977 the Kenyan Government withdrew its civil servants and began to integrate them into its own administration. The Tanzanians and Ugandans stayed on for a few weeks as the possibility of a two-nation community was discussed, but in August they too were recalled. Ten years earlier, on 6 June 1967, the Presidents of Kenya, Tanzania and Uganda had signed in Kampala the East African Treaty of Co-operation, establishing the East African Community with its common services, common monetary system and complex common market aimed at strengthening economic, trade and industrial ties.

The Community, however, had a checkered and turbulent history. The centrality and primacy of Nairobi tended to ensure that Kenya gained disproportionately from the system, despite transfer taxes aimed at reducing such imbalances; the increasingly bitter ideological contrast between Nyerere's brand of Tanzanian socialism and Kenyatta's flamboyant Kenyan capitalism merely exaggerated differences; the 1971 military coup in Uganda soured relations between Tanzania and Uganda due not merely to Nyerere's friendship with the ousted President Obote and his philosophical revulsion to military usurpation of civilian authority but also to Idi Amin's understandable suspicion of Tanzania's motives following the abortive invasion of Uganda from Tanzanian soil by armed friends of Milton Obote in September 1972; the propensity to random murder in Uganda made relations with Kenya, despite its Government's essentially pragmatic principles, frequently uncomfortable. Since 1971, in fact, the highest executive authority of the Community, the three Presidents, had never met.

By the middle of 1977 the Community's civil servants, who had manfully kept the organization going, could do so no longer. The budget

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could only be approved if the Ministers of the three constituent units put their signatures to it, but no venue proved suitable for this brief formal occasion. The virtual closing of the border between Tanzania and Kenya ruled out either Arusha or Nairobi and the Tanzanians were adamant that they would not go to Kampala. There was talk of meeting outside the Community altogether, but this was considered too demeaning. With no budget, the Community had no choice but to die. The suspension of direct airlines of any kind between Kenya and Tanzania on 1 November 1977 was the final symbolic act of disintegration.

Uganda's weakness

By early 1977 the tensions between all three pairs of countries were high. Ugandan-Tanzanian relations had fluctuated between the chilly and the frozen for some years; President Amin's claim that Obote's friends were fomenting opposition to him and preparing further attempts to drive him from power were based on historical experience and a sensible appreciation of likely possibilities; although President Nyerere met and shook hands with Amin for the first time during the latter's tenure as Chairman of the Organization of African Unity (OAU) in 1976, his objections to the horrors of Amin's oppressive government remained unaltered. So complete was the rift between the two neighbouring countries that in 1975 Tanzania had imported barely £1,000 of goods from Uganda and exported only £350,000. When the Community finally collapsed, 108 Ugandans working in Arusha ignored President Amin's instructions that they return to Uganda and chose instead political asylum in Dar es Salaam, thus worsening still further the relations between the two countries' leaders.

Kenya had attempted to continue 'normal relations' with Uganda since the 1971 coup and trade, though almost entirely one way, had been worth more than £30 m. in 1975. But relations between the two countries were always mercurial. The maltreatment of Kenyan railway employees in Kampala provoked retaliatory action, largely by dockers in Mombasa, and a convoy of Soviet arms was long held up in 1975. In January 1976, Amin made expansive claims to Kenyan territory and moved units of his armed forces to the border; this provoked a telling response as Kenya denied Uganda its supplies of oil, all of which have to travel up from Mombasa through Kenya. In August 1976 an agreement was signed to restore normal relations, which included a Kenyan agreement to reopen Uganda's land trade links and a Ugandan promise to pay its outstanding debts in acceptable currency and to release nearly 100 Kenyans. The Kenyan Government was squeezed between its interest in preserving normal relations, which not only benefited the economy but also did something to ease the problems of Kenyans still inside unpredictable Uganda, and popular demand to take a stronger line with Amin and his

harassment of men and wagons. That Kenyan leaders ultimately decided that their control of Uganda's communications permitted them to pay heed to the popular anti-Ugandan feelings of many vocal citizens is suggested by their co-operation with Israel in the Entebbe Raid of 4 July 1976. This infuriated Amin and contact between the two countries came to a virtual standstill. Crossing the border into Uganda on land remains a hazardous and complicated enterprise.

But Uganda was clearly in a relatively weak position. Its farmers, short of beef and periodically of many other commodities, resorted to smuggling on a massive scale. Coffee could sell in Mombasa at ten times the price a peasant farmer got paid by the Ugandan authorities, so that clandestine bartering across the border became commonplace, the Ugandans gaining much-needed cattle or hard Kenyan currency and the local Kenyans obtaining valuable coffee still at knock-down prices. Although the Kenyan authorities have periodically attempted to check this exercise of personal initiative, fearing that the lower-quality Ugandan coffee might be mixed with the higher-grade Kenyan coffee and so give it the unwanted notoriety of unpredictability, they have not been overenthusiastic in prosecuting offenders, except when rival groups clash violently. Naturally enough, Amin has resented the way Kenyan law enforcement officers sometimes turn a blind eye to this practice, but his hands remain tied by his geographical dependence upon Kenya. Flying coffee to Mogadishu when it could raise £4,000 a ton was one thing; when the price dropped below half of that, very different calculations set in.

Kenya's prospects

Tense as the relations between Uganda and Kenya have spasmodically been, it was the relations between Kenya and Tanzania which had really soured by the end of 1976. The arguments were not essentially new, but the participants were no longer willing to paper over the cracks yet again. By the beginning of 1977, the East African Railways Corporation had effectively been decentralized and the other corporations either had followed suit or had virtually stopped operations.[1] In February Tanzania accused Kenya of causing the collapse of East African Airways (which was at last recovering from the financial chaos of earlier years) by withdrawing financial support and promptly banned all flights from Kenya. Kenya, for its part, complained that Tanzania and Uganda owed it $6 million in common revenues to the Nairobi headquarters where accounts are paid out. The temporary closing of the border announced at the time became permanent in April 1977. Such action prompted demand and counter demand, the Tanzanians calling for the release of at least two

[1] See Reginald H. Green, 'The East African Community: the end of the road', in C. Legum (ed.), *Africa Contemporary Record 1976–7* (London: Rex Collings, 1977), pp. A59–67.

ships belonging to the now defunct East African Railways Corporation held in Kisumu port, the Kenyans requesting the return of lorries and aeroplanes, not to mention tourists, caught on the wrong side of the border. Coming on top of Tanzania's earlier prohibition of Kenyan transporters using Tanzanian roads to carry goods from Kenya to Zambia, an expanding part of Kenya's intra-African trade, the Kenyan Government had little sympathy for Tanzanian demands.

Since Kenya had gained most from the Community, it should by all logic suffer most from its demise. Trade with Tanzania was halved during 1977 and the prospects of expanding markets to the south, to Zambia in particular, were rudely curtailed. Fortunately for Kenya, the high price in international markets for coffee and tea has more than offset the problems of soaring oil import costs and the loss, or disruption, of trade with the states of east and central Africa. The public posture of leading politicians is thus buoyant, as they claim, with some short-term justification, that they can spite the petty jealousies of Tanzania. Conversation in Nairobi soon turns to an unflattering comparison between the Tanzanian and Kenyan economies and to a righteous defence of Kenyan state capitalism. The wholesale condemnation by opponents, both inside and outside East Africa, for its apparent subservience to the interests of monopoly capital is as resented as it is misplaced. Transnational companies, prominent and successful though they may be, are not permitted to run rampant, as the Governor of the Central Bank made clear to an audience at the London School of Economics last October, and their representatives corroborate this. The confidence of the national bourgeoisie, calling much of the tune in its relationship with external capital and priding itself on the economy's growth, unequally distributed though it unquestionably is, tends to insulate it from thinking too deeply about the future.

When they do consider the years ahead, Kenyans speak of expanding into the Middle East and north into Sudan. Following the Afro-Arab summit in March 1977, Kenya's Foreign Minister visited Syria, Iraq, the United Arab Emirates, Egypt and Algeria, and Kenya concluded new trade and protocol relations with its neighbour Sudan, also a member of the Arab League. In May a Kenya-Arab Friendship Society was formed with President Kenyatta's eldest son as President. But it is in Sudan that most hopes are placed and the new road communications agreed in March 1976, more evident on the Kenyan than the Sudanese side, are going ahead, as this is one of the very few options open to the country. Barred from the south by an uncooperative Tanzania and effectively barred from the west by poor communications and Uganda's unreliability, Kenya must look north within the African continent. Sudan's south is undeveloped, but is being opened up; its people are Christian where they are not animist and belong in racial terms more to its neigh-

bours of Uganda and Kenya than to its fellow citizens of northern Sudan. The only other avenue to the north lies across the semi-desert of the Northern Province and the Republic of Somalia.

This poses a further problem for Kenya. Kenya entered upon independence in 1963 with a war on its Somali border and it was not until 1967 that an uneasy rapprochement was achieved with Siad Barre's predecessor following OAU-sponsored conciliation meetings under the chairmanship of Zambia's President, Kenneth Kaunda. But the rapprochement was always a cautious one. Somali expansionism, so evident in the Ogaden recently, has a long history. The new state had adopted in 1960 the five-pointed star of Greater Somalia as its national emblem, the stars representing British Somaliland, Italian Somaliland, Djibouti, the Ogaden and Kenya's Northern Frontier District. Kenya's concern was increased when a map of greater Somalia, incorporating much of Kenya's northern district, almost one-third of the country's land mass, was circulated in Somali schools and offices in 1973; the shoot-out in June 1977 at the Ramu border post merely intensified the impression that, despite the Organization of African Unity's sanctification of colonial boundaries, the Somali Republic had active designs on Kenyan territory. Mogadishu claimed that there was no border dispute, but Kenya denied it. The Kenyan authorities clearly still see Somali insurgents in many guises. The increase in organized and well armed poaching is almost invariably put down to Somali perfidy, a convenient if not wholly convincing allegation when some poachers answer to unquestionably Kikuyu names. There is little doubt also that cattle-rustling continues to take place along the border, though it is by no means clear whether the well-armed Somali raiders are merely traditional nomads or a recrudescence of the old Northern Frontier District Liberation Movement. In any case, Nairobi has always thought ill of Mogadishu with its Soviet links and expansionist rhetoric and, indeed, of all others who give public credence to Somali claims.[3] Kenyans are quite prepared to accept the view that Somali embassy officials are recruiting Somali Kenyan nationals to train in guerrilla camps and are issuing Somali passports, especially to those with some military experience. Last October the Vice-President, Daniel arap Moi, announced that Kenya would take stern measures against Somali suspects in Kenya. After all, apart from the non-negotiable matter of pride, £12 m. has already been spent on prospecting in the northern district for exploitable sources of oil.

For all its outward confidence and bustling economic expansion, the prospects for Kenya are not all that rosy. If the worst came to the worst and war broke out on either its northern or western boundaries, the

[3] The fear of expansionism is greater than the antipathy to Soviet links, as Kenya's verbal support for Ethiopia and its diplomatic efforts at preventing Western support for Barre indicate.

country's armed forces look scarcely able to match their adversaries. With an army of 6,500, a para-military force of 1,800, Naval and Air Force troops numbering just over 1,000 and fundamentally unsophisticated hardware, it is on paper no real match for Somalia (22,000 standing army, 3,000 para-military troops, 2,700 airmen all with moderately sophisticated supporting equipment) or Uganda (with its considerable supply of Russian tanks and fighter aircraft).[8] Numbers, of course, can hide the skill and commitment with which the armed forces are imbued; they can also mask outside agencies ready to come to the country's assistance. Kenya has in recent years become strategically of increasing importance to the West, lying as it does just to the south of the Persian Gulf and the Red Sea. The Russian base in Berbera, its naval anchorage on Socotra and the radical government in South Yemen overlook the exit of the Red Sea; further into the Indian Ocean recent political changes have brought to the governments of the Comoros Islands, the Malagasy Republic and Mauritius men much less friendly to the West. In these circumstances, the importance of Kenya grew and remains, despite the possibly temporary expulsion of Russian military advisers from Somalia; when Amin threatened Kenya earlier in 1976, it was no chance occurrence that a United States aircraft carrier and aircraft able to inflict considerable damage on Uganda were close at hand.

Tanzanian change of focus

The events of 1976 and 1977 did not leave Tanzania unmarked. The most fundamental changes have been those of focus. The determination to make the Tanzanian experiment in socialism succeed has meant not only internal policies of villagization and politicization but also beneficial strengthening of links with Zambia, through the completed Tazara railway, and Mozambique, with which President Nyerere has continued to cultivate close relations. Between Tanzania and Mozambique there is now a permanent commission for co-operation, which appears to be more than merely a fraternal indication of political solidarity. Its agricultural sub-committee, for instance, met in November 1977 with the appropriate ministers present and issued a communiqué that a joint study of the problems of exploiting the basin of the Ruvuma River on their borders would be set up. Although there are as yet no dramatic physical indications of the benefits to be accrued from this change in focus, it remains an important element in the changing pattern of international relations in East Africa.

Domestically, there has also been a shift in ideological focus. The *Weekly Review* in Nairobi overdramatized this by captioning an article

[8] *Military Balance 1976–1977* (London: International Institute of Strategic Studies, 1976), pp. 43–5. Since then, all those countries have added to their armoury and military personnel.

'Back to Capitalism', but there has nevertheless been some change. A Treasury study of 24 major 'parastatals' showed that these corporations had made losses of 178·25 m. shillings (about £12 m.) and had produced few social or economic benefits to offset that. The lack of a surplus to reinvest meant that many important programmes, such as the development of a sugar industry, the provision of universal primary education, the extension of water and health facilities to the new nuclear villages and the symbolically important though economically wasteful building of a new capital at Dodoma, could not go ahead without recourse to massive external aid. The principles of socialist self-reliance thus came into head-on collision with hard economic facts. The Treasury report cautiously called for clarification of the role of the private sector.

At the end of October 1977, Nyerere called for the strengthening of small-scale private enterprise in Tanzania and directed the Minister of Finance and Planning, the Bank of Tanzania and other officials to ease the processing of applications for industrial licences and importation of spare parts in order to assist the growth of private industries in the country. The State Trading Corporation, well known both inside and outside Tanzania for its inability to meet the day-to-day needs of ordinary shoppers, has been radically restructured and Nyerere's intention seems to be to promote local businesses, which can provide needed commodities in the required quantities at the right time as well as employment, while retaining national control only for the major industries. The phasing out of privately owned shops started in April 1976, but in 1977 there began a handing back to private enterprise of nationalized petty commercial concerns such as butcheries in Dar es Salaam.

Tanzania's economic problems, of course, have many roots, but the very success of the post-Arusha politicization of local party leaders may well paradoxically be one of them. The villagization programme was often ruthlessly advanced by dedicated officials of the Tanganyika African National Union (Tanu)[4] for whom the policy's virtues justified the means needed for its execution. Two poor growing seasons merely compounded the consequences of the dislocation inevitable as a result of such massive population movements. But zealous party functionaries sometimes exacerbated the situation further by their adherence to too crude an interpretation of Tanu ideology. If surpluses are an integral part of capitalism, they must be bad; therefore, so the argument ran, they should be destroyed lest the official suffer censure for capitalistic practices. Or again, where a district produced a surplus, the lack of private transport operators, another victim of the war against private enterprise, prevented it from reaching a neighbouring district in dire need. More settled tenure and better rains have eased the situation, which was patchy in any case. But few Tanzanians really believe that their economy has been success-

[4] Tanu has now merged with the Zanzibar Afro-Shirazi Party to form the single Revolutionary Party of Tanzania, *Chama Cha Mapinduzi* (CCM).

ully managed and that the standard of living of the peasantry has mproved. Outside forces have been frequently blamed and the Kenyans iave often been held up as the capitalist ogres the Tanzanian experiment vas designed to eliminate.

The rupture of trade relations with Kenya became then not merely the esponse to a new perception of the diminishing return to be gained by nembership of the Community (after all, Tanzania had managed its railvays and harbours quite adequately on its own) but a symbol of frustraion and antagonism to the opulence flaunted in Kenya. The fact that hose Tanzanians whose visits to Kenya would benefit Tanzania were ermitted to cross the border with little trouble lends weight to this view.)ne immediate short-term consequence was the disruption of the Tananian tourist industry, since the bulk of visitors were organized by Nairobi tour operators and were based on Nairobi and the coast round Mombasa. In March 1977 the Tanzanian Government announced that ix major hotels had closed down for lack of business. Already the subject f much ambivalence, the cutting off of tourists served a useful ideological urpose within Tanzania.[5] Yet the change of focus, away from a somevhat doctrinaire antipathy to profit and enterprise, is noticeable in this rea above all.

Two developments presage a change. In Kenya the extent of poaching nd the decimation of big game will over time reduce the attraction of the ame parks, which provide half the incentive to the tourist business. (The eaches, which provide the other half, seem to be becoming more olluted.) In 1975 $60 m. accrued to Kenya from the tourist industry nd, though it is peculiarly subject to the fluctuations of the world conomy, it retains a high priority in the development plans of the Kenyan Government. The ban on big game hunting and the sale of ivory nay well be too late, or ineffective if the rigours of the law can continue o be ignored by highly placed people.[6] In the Tanzanian parks, on the ther hand, especially in the lesser known ones of central Tanzania, there re still enormous concentrations of game and the lure of the comfortable vild associated with partly developed parks. The second change is the Tanzanian Government's decision to develop the tourist industry and hallenge the Kenyan hegemony. In 1975 $10 m. was earned from this ource, but much more desperately needed foreign currency is hoped for, f the Scandinavian consortium in whose hands the Government has put evelopment proves successful. Whether East Africa can successfully ttract enough wealthy Europeans, Japanese and North Americans to eep the two tourist circuits expanding remains to be seen; similarly, vhether the political forces within Tanu will happily acquiesce in the llocation of scarce resources to a tourist industry which flaunts wealth

[5] See I. G. Shivji (ed.), *Tourism and Socialist Development* (Dar es Salaam: Tanzania Publishing House, 1973).

[6] In the 1960s about 90,000 lb. were exported annually; by 1975 this had risen enfold. The price had risen by 1,200 per cent to $35 per lb.

and styles of life wholly antipathetic to the Tanzanian ideal also remains an open question.

Lacking political will

Conventional economic logic still suggests that some form of East African Community would be mutually beneficial to eastern Africa. But the political will is lacking; indeed, the political will is pulling positively in the opposite direction. The Community called together its own panel of specialists in January 1976 to examine the deteriorating situation, and the partner states set up a Review Commission under Mr William Demas, Trinidadian president of the Caribbean Development Bank, but neither body could provide an agreed analysis of the problems, let alone proposals for remedy. Consequently, as each corporation was dismantled into its constituent parts or ground to a halt altogether, the Community expired, largely unlamented in the corridors of power in Nairobi and Dar es Salaam.

As with humans, death can create new issues. The Community died intestate and now the three member states, not to mention their creditors, have begun the acrimonious process of dividing its mixed inheritance. In a message marking the fifteenth anniversary of Uganda's independence last October, President Amin announced that Uganda would accept no liability for the East African Community, complaining that Kenya and Tanzania had grabbed all its assets and laying the blame for its collapse on the partners' 'selfish leaders in collaboration with neo-colonialists and imperialists'. It was not an auspicious start to an exercise that would have been immensely difficult even at the best of times.

Yet tempers will probably cool and, after the domestically appropriate postures have been struck, the officials will get round to restructuring the relations between the old triumvirate. Indeed, just before Christmas, the Tanzanian Vice-President, Aboud Jumbe, and his Kenyan counterpart, Daniel arap Moi, spent several days discussing matters of mutual interest. The new relations will not be so close and they will evolve from some hard bargaining. Here Uganda's weakness is the most obvious, and it can to some extent only be offset by symbolic gestures of aggression. Tanzania, if its links with Zambia and Mozambique become more tangible than paper promises and its attitude towards private enterprise continues to mellow, will be stronger and more happy to recreate links with Kenya to their mutual benefit. And Kenya, once the real cost of losing the Tanzanian market comes home and the sense of isolation in eastern Africa increases, will be more ready to negotiate over tariffs that benefit neither country disproportionately. There will be no resurrection of the Community and no reincarnation; but the dismemberment that took place in 1977 will probably be the prelude to a new, less organized, set of economic relationships linked not to common services but to common economic advantage.

The Italian Communists on the parliamentary path to power

HANSJAKOB STEHLE

SINCE its success in the elections of June 1976, the Italian Communist Party (CPI) has steadily worked its way towards a legal, direct assumption of government power in Rome. On three occasions during the past two years it has managed to win important concessions from the Christian Democrats in return for its support: that support has enabled the Democrazia Cristiana (DC), the so-called 'party of the relative majority' which has been in power for the past 30 years, to continue to govern and even to remain the sole party in government. First, in August 1976, the Christian Democrats made an agreement with the Communists that the latter would abstain from voting in the Chamber of Deputies, thereby enabling the CPI to emerge for the first time from opposition while the DC in turn was able to form a Government under Giulio Andreotti. Secondly, in July 1977, the Andreotti Government was maintained in power by means of agreement between the Christian Democrats and Communists on a joint programme which was also supported by the Socialists, the Social Democrats, the Republicans and the Liberals; this agreement gave the Communists for the first time a say in government policy. Thirdly, in March 1978, the DC accepted the Communists as part of the parliamentary majority which supported Andreotti's new single-party Cabinet on the basis of agreement on a second programme—this time with five parties only, for the Liberals went into opposition.

Admittedly—and this is of fundamental importance—none of these steps has so far enabled the CPI to escape from its uncomfortable position on the fence, which since the summer of 1976 has prevented it from being either a proper opposition party or a real government party.[1] This position brings constant pressure to bear on Italy's Communists and exposes them to a twofold process: that of adaptation (to a system-conforming, i.e. democratic attitude) and that of erosion (of both utopian expectations *and* real possibilities). This is all the more the case as the continuing state of emergency in Italy, its economic plight and its security

[1] See Hansjakob Stehle, 'The Italian experiment and the Communists', *The World Today*, January 1977.

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problems (highlighted by the dramatic abduction of the eminent Christian Democrat leader, Aldo Moro, on 16 March) calls for a united and responsible attitude from all political forces in the country and for the time being leaves very little real room for radical reforms, let alone revolutionary experiments.

The crime against Signor Moro has pushed the CPI further towards identification with the state and its order. After the 'death sentence' passed on Moro by the Red Brigades, the Communist party called not only for 'absolute firmness against these bandits' but also used self-criticism:

> the CPI had been slow to realize that 'the strategy of tension was practised not only on the right but increasingly on the left... for years the uncritical exaltation of the romantic and simplistic Ché Guevara myth was given free rein among young people of the Left but also among Catholics . . . till 1965 our party had no independent critical judgment of the revolutionary history of the Soviet Union and the socialist countries and their reality . . .'[2]

But the DC itself is also subject to a similar process of adaptation and erosion. Its President, Aldo Moro, a master of subtle formulas and strategems, who had become the leading strategist of the DC along with the party secretary, Benigno Zaccagnini, and the Prime Minister, Giulio Andreotti, advocated a policy of 'constructive flexibility'. Such flexibility was aimed to avoid a double breach: on the one hand, a disastrous head-on collision with the Communists, which would be unavoidable if every constitutional chance of co-operation were denied them; on the other hand, a break-up of the DC which would be very likely in the event of a direct 'political alliance' with the Communists. Both dangers constantly threaten Italy's internal stability; they have also until now not permitted any radical emergency policies, but only laborious attempts to cure the symptoms of the crisis.

In this context, the elections of 20 June 1976[3] produced a so far insuperable obstacle—the emergence of 'two winners' (to quote Moro), with neither the DC nor the CPI strong enough to form a coalition with smaller parties, let alone to govern alone against its big rival. Only premature new elections could have altered matters. Yet the public opinion polls as well as most experts on the domestic scene agree that between 1976 and 1978 polarization has increased without a substantial widening of the narrow gap between the two large parties. The CPI is reckoned to have 36–7 per cent (1976: 34·4 per cent) and the DC 42–3 per cent (1976: 38·7 per cent) of popular support. For the smaller parties, the danger of

[2] Statement of Senator Paolo Bufalini before the CPI Central Committee on 17 April, *l'Unità*, 18 April 1978. For the Government's reaction, see Muriel Grindrod, 'Bitter test for Italy's new Government', *The World Today*, April 1978.

[3] See Muriel Grindrod, 'Stalemate in Italy's election', *ibid.*, July 1976.

being pulverized has become even greater. There has been an increasing inclination within the smaller parties to the left of the DC (Socialists, Social Democrats and Republicans) to smooth the Communists' path to joint responsibility. It is the quiet (at times also openly expressed) hope of the Italian Left that, given a democratically credible Communist Party which is capable of governing and has shifted to the right, the prospect of a 'normal' left coalition (the 'left alternative') might open up one day and finally avert the danger of a 'historic compromise' between the two large parties.

Towards the July 1977 agreement

Thus the Socialists (PSI) in particular began as early as the turn of the year 1976/7 to press for the further inclusion of the CPI after its leader, Enrico Berlinguer, had shown the first signs of Communist impatience when he remarked: 'Does the DC reject the historic compromise? Then it should suggest something else! We cannot continue to have this absence of a position.'[4] The Christian Democrats on the other hand demanded a 'pause for thought' from which in time 'interesting things might develop', as Moro wrote in an article in *Il Giorno* of 10 December 1976. Three months later Berlinguer pressed harder whilst avoiding anything in the nature of an ultimatum. The Government formula (the coalition of '*non-fiducia*' based on his party's parliamentary abstention) was, he said, plainly 'worn out' and must be replaced as soon as possible, 'but without creating a sudden political vacuum'.[5] Meanwhile a new wave of political violence, wildcat strikes and demonstrations had hit the big cities. On 11 February, Luciano Lama, head of the Communist trade union federation (CGIL), was beaten up by ultra-left university students and at the beginning of April a series of attacks damaged Christian Democratic offices. On 7 April therefore Moro gave a signal to the CPI, hinting in his usual cryptic manner at the need for unity over and above 'legitimate differences'. This was taken up by Zaccagnini on 27 April in a blunt speech to the party leadership:

> Faced with the alternative between an emergency government and a deep breach of solidarity between the political forces entailing the risk of premature elections, we deem it possible and necessary to strive for an agreement on specific points in a programme...

Despite the urgency which was emphasized by all participants, the negotiations between the parties dragged on for over three months, both because the DC leadership could only gradually soften resistance within the party and because the CPI had to criticize itself for its 'mistakes': it had in the first year of its 'non-opposition' submitted too easily to Moro's delaying tactics and had behaved too tamely in the eyes of its supporters,

[4] *Rinascita*, No. 49/1976. [5] *l'Unità*, 3 April 1977.

who had expected 'something new' not to say 'the turning-point'.[6] With the intention of being more vigilant this time and not overestimating the new 'step forwards', the Communists voted in Parliament on 16 July 1977 for the programme-agreement, which Berlinguer assessed as *concordia discors* whereupon Andreotti pointed out in equally fluent Latin that no one had been compelled to anything that he did not want to do (*coactus tamen voluerit*).

The agreement—'*accordo programmatico*'[7]—comprised short-term and medium-term guidelines on the strengthening of internal security, economic reconstruction and the reform of the educational system and the mass media. The vote in the Chamber of Deputies, with 85 deputies (predominantly Christian Democrats) absent and 67 deputies from the 'programme parties' voting against, showed how thin the façade of common interest remained even now that Andreotti's support no longer rested on mere voting abstentions.[8] Zaccagnini promised that the DC would not 'lower the flag' vis-à-vis the Communists, while Berlinguer asserted that the CPI did not have 'uncritical trust' even if it was necessary 'to moderate mutual suspicion progressively'.

New crisis

However, by the autumn of 1977 the agreement had already begun to crumble. In the course of the year Andreotti had certainly succeeded in reducing the rate of inflation (to 16 per cent from 23 per cent in 1976) and in checking the huge national debt; also, there were in 1977 only half the number of strikes compared with 1976, although Italy still held the record for the number of hours lost through strikes. Yet the view that the austerity measures ultimately 'demanded sacrifices only from the workers' (to quote Luigi Macario, the Christian Democrat trade union leader) gained ground. The official unemployment figures exceeded the 1·5 million mark, of which 1·3 million were aged between 18 and 35. Production and investment stagnated, while a wave of political terror further shook the country.

At first, the CPI understandably hesitated to demand a greater share of government responsibility in this precarious situation and was satisfied with raising unfulfilled points of the agreed programme. It was Ugo La Malfa, the Republican Party leader, who, in an interview in *La Repubblica* on 11 November, first urged the Communists to take action and to raise their demands. His motive, which was widely misunderstood, was rooted in the conviction that the resistance of the trade unions to a drastic

[6] See two articles by G. Chiaromonte in *Rinascita*, No. 18/1977, and *l'Unità*, 3 July 1977.
[7] The full text was first published in *l'Unità*, 30 June 1976, taking up two and a half pages.
[8] The programme was passed by 442 votes to 87 (with 16 abstentions by the neo-fascist MSI).

emergency policy would be overcome only by direct Communist participation in such a policy. As it turned out, it was the trade unions which forced the CPI to abandon its position on the sidelines with their serious threat of a general strike. On 2 December, against the advice of the CPI, 200,000 metal workers from all over Italy gathered in Rome to protest against Government policy, with audible anti-Communist undertones. 'It is not for the trade unions to precipitate a Government crisis or to suggest a new coalition arrangement,' Giorgio Napoletano, a member of the Secretariat and executive Council of the CPI, warned on 7 December in *Rinascita*, but on the same day his party took action. For the first time, an official resolution of the CPI leadership demanded in plain words 'a government of democratic unity and solidarity incorporating both parties of the Left'.

The Christian Democrats resorted once again to the art of flexible evasion. Firstly their 'right-wing' spokesman, Amintore Fanfani, President of the Senate, announced on 7 December that individual prejudices should be disregarded if 'the general interest called for it'. On 9 December, Zaccagnini said that after the situation had 'matured' 'more appropriate answers' might well be found. On 13 December, Moro stated that, within limits acceptable to its 14 million voters, the DC could 'use all opportunities to improve the unity in diversity (*concordia nella diversità*)', which offered itself as an alternative to the disintegration of society.

Did all this mean that the CPI would actually be included in a new emergency Government if the Communists would only have a little more patience? The CPI leadership seemed to think so and relaxed its pressure: 'We do not want to intensify the controversy with Andreotti whose work we value,' *l'Unità* said on 20 December. A 'controlled crisis' ought to make a 'non-traumatic' change of government possible, Napolitano stated on 28 December. The trade unions postponed their general strike indefinitely and Andreotti was able to put off his formal resignation for some weeks. Meanwhile, on 11 January 1978, the DC executive made it clear that it expected the Communists to align themselves with the Christian Democrat programme before it would be disposed to a new 'parliamentary convergence'—though not to an 'unnatural alliance'. What this really meant was left open. An embittered CPI now persisted in its maximum demands and on 17 January, the day after Andreotti's resignation, pointed out sharply that in theory there could also be a governing majority in Parliament without the Christian Democrats. Would this mean a left-wing Government with the Christian Democrats in opposition? Were the Communists renouncing their conception of the 'historic compromise'? Was the crisis going to end in deadlock or was this just tactical manœuvring? Was the CPI preparing for a grab at power or only for a fighting retreat which would leave it once more in opposition?

A statement on 12 January, in which the US State Department

laconically declared itself to be against 'Communist participation in West European Governments', did not 'throw much light on the matter', to quote the Italian Foreign Minister, Arnaldo Forlani. The Christian Democrat organ, *Il Popolo*, considered it even 'counter-productive'. The official explanation from Washington on the following day said that whoever wanted to know what the Italian Communists thought of democratic values should read Luigi Longo's latest declaration of loyalty to Leninism. The veteran Italian Communist leader had stated in *Corriera della Sera* on 31 December 1977 that neither Eurocommunism nor the 'historic compromise' were to his liking. He also thought that the Leninist character of the CPI should be preserved and that the power of the Soviet Union, 'including its military power', was essential for the democratic progress of the world. Yet at the beginning of 1977, the 78-year-old Longo had been extremely critical of the 'coercive elements in the practice of so-called socialism'.[9] Similarly, Longo's even older comrade, Umberto Terracini, whose signature has been on Italy's Constitution since 1947, had always been against a 'historic compromise' with the Christian Democrats; yet he now declared, in *Corriere della Sera* of 23 January 1978, that the Soviet Union was 'totally deprived of every trace of personal and political freedom of thought and action'.

Such statements by the CPI's Old Guard reflected the internal contradictions which for years have prevented Berlinguer from making his synthesis of 'socialism with freedom' completely credible. Admittedly, Christian Democrats like Signor Andreotti do not doubt 'that the anti-Stalinism of the Italian Communists is based on conviction and is not merely a tactic'.[10] Yet how far the CPI has moved away from the Leninist model of state and society and from the belief that the motives behind Soviet international policies are purely peaceful and disinterested remains an open question for the whole Democrazia Cristiana, and not just for its critical right wing. This anxiety, which does not spring merely from a concern for its own power, lies at the heart of the DC's resistance to a far-reaching partnership with the Communists and to their claim to be accepted as democratic, legitimate and equal competitors.

When Signor La Malfa triggered off the latest Government crisis last autumn, he proceeded from the assumption that the CPI had already obtained that legitimacy. Berlinguer's speech in Moscow on 2 November 1977, at the celebrations of the 60th anniversary of the October Revolution, represented an 'absolute political turning-point', La Malfa asserted. Indeed, the CPI leader had proclaimed from the Kremlin platform not only an independent path but also an independent aim: a pluralist, socialist society with all personal, political and religious freedoms, and also 'the non-ideological character of the state'—a concept that went beyond the

[9] Luigi Longo, *Opinioni su Cina* (Milan: Ed. La Pietra, 1977).
[10] See NCB interview of 13 January 1978.

Madrid declaration of the Eurocommunists of 3 March 1977. Moreover, in an exchange of letters with the Catholic Bishop Luigi Bettazzi last October, Berlinguer stated that for 'the CPI as such', the teachings of Marx and Lenin could 'not be an ideological credo', but only critically understood and used analytical methods. In reply to the scepticism expressed by the Vatican's organ, *Osservatore Romano*, *l'Unità* remarked on 13 November that the Communists as much as the Catholics must reassess (*fare i conti*) their totalitarian past:

> A secular state (*stato laico*) and a secular party (*partito laico*) means for us that neither the one nor the other derive their characteristics, norms and praxis from the preconceived adherence to a specific philosophical or religious system; were this to be the case, such a system would enjoy an unacceptably privileged position vis-à-vis others and both the equality of each member within the party and the equality of the citizens vis-à-vis the state would be diminished.[11]

But how is the Soviet system to be appraised with the yardstick of such a non-Leninist conception of party and state under socialism? For years the CPI has faced this test, though not without contradictions. On 31 January 1977, Berlinguer spoke only of 'illiberal traits' (*tratti illiberali*) in the political regimes of 'some East European countries'. A year later, however, a seminar of the Higher Party School came to the following conclusions:

> The legal picture which the new Soviet Constitution presents is still not that of a system which guarantees legal security . . . The state of permanent non-legality can be attributed to the lack of sensitivity of Soviet Marxism towards the problem of the universality of justice . . . The Soviet model teaches us to be on our guard against ourselves . . . There will be real socialism only when there is real democracy. . .[12]

In the tenth year after the Soviet intervention in Czechoslovakia, which 'must never be forgotten', the CPI protested anew against the suppression of Dubcek's experiment, which it considered exemplary, and characterized the unresolved Czechoslovak question as 'also our problem'.[13] The CPI's boldest statement so far came on the 25th anniversary of the death of Stalin in an editorial in its party organ, which stated that Stalin's terrorist methods had indeed been overcome in the Soviet Union:

> . . . however, his conceptions survived . . . the total nationalization of the economy, the party as a military-ideological order identified with the basic structure of the state, which tolerates only one ideology . . . In

[11] This debate is documented in *Comunisti e mondo cattolico oggi* (Rome: Ed. Riuniti, 1977); the quoted sentence is on p. 51.
[12] See *l'Unità*, 14, 15 and 16 January 1978, and *Rinascita*, No. 3/1978.
[13] *Rinascita*, No. 3/1978, and *l'Unità*, 21 August 1977.

the period after the war an even stronger nationalistic content was added . . .Our positions stand in total and deliberate contrast not only to the corruption of Stalinism but also to the essence of its conceptions which have proved to be more lasting . . . This view is what has been called Eurocommunism.'[14]

But how is this opinion to be reconciled with the thesis, which is still upheld by all leading CPI officials, that nevertheless socialism is being built in the Soviet Union although it has not been finally achieved?[15] The answer lies in the 'mythical vision' of socialism and the Soviet Union which is deeply rooted amongst the one and a half million members of the CPI. Berlinguer for the first time explicitly criticized this myth in order to confront it with his own 'completely rational and critical view of socialism' when he addressed workers in Naples on 5 March 1978. On the same day the condemnation of neo-Stalinism quoted above appeared in *l'Unità* and the Communists' admission into the government majority with the Christian Democrats was settled in Rome. Never before had the interaction between the CPI's ideological process of 'erosion' (i.e. reform) and its practical political adaptation (to joint responsibility in a Western democracy) become so obvious as now.

Another compromise

A power struggle within the party had preceded it. 'Nostalgia for opposition' and dissatisfaction with a leadership increasingly identifying itself with the interests of the state were felt especially in the working-class base of the party, who saw their interests represented more by the trade unions than by the CPI.[16] However, in the Central Committee on 26 January 1978 Berlinguer fought against the idea of striving for a left-wing government, in the last resort without the Christian Democrats, as being 'in outright contradiction to our policy of unity'. Over the heads of the grumbling rank and file he signalled to the Christian Democrats that his maximum demand would not be the last word: behind the call for a joint emergency government he set an 'emergency pact' as a modest minimum.

A decisive turn in trade-union policy, effected by the leader of the Communist-controlled CGIL, Signor Lama, came to Berlinguer's aid on 24 January. He now said that to save the country from ruin, workers must make 'substantial sacrifices'. The wages and employment policy which the trade unions had practised since 1969, regardless of the productivity and profitability of enterprises, had been 'stupid' not to say 'suicidal'. What the effects of Lama's shock therapy will be in the long

[14] *l'Unità*, 5 March 1978.

[15] See, for example, Paolo Bufalini on the 60th anniversary of the October revolution, *l'Unità*, 6 November 1977, and Berlinguer's speech in Milan, *ibid.*, 31 January 1977.

[16] See *Rinascita*, No. 1/1978.

term, whether it will allow a breakthrough to a 'social contract' or whether it will make the Italian Left itself into a forum for renewed and intensified class conflict, is difficult to predict. In any case, it has enabled both Communists and Christian Democrats to make mutual concessions which in January still seemed scarcely possible.

Thus, for the third time, the CPI put up with a mere 'step forwards' and with Andreotti's emergency programme, which was far removed from the spartan 'austerity' that Berlinguer had originally demanded and did not present 'an opportunity to introduce at the very least some of the criteria, values and methods which are characteristic of the socialist ideal'.[17]

The DC's 400 MPs, who on 1–2 March were divided into two groups of almost identical size, survived this crucial test only because the choice between 'confrontation or coalition' with the Communists could be circumvented by the compromise formula of 'broad parliamentary solidarity'. After 54 days of government crisis, this formula was unanimously accepted as the basis of the third 'small'—not historic—compromise with the Communists. Would the next one be after the presidential elections in the autumn?

Is Italy progressing towards an authoritarian or democratic stabilization? Curiously enough, both Communists and Christian Democrats have recently been reflecting on the 'lack of homogeneity' in Italian society.[18] This state of affairs, it is suggested, promotes radicalism and makes it difficult to settle conflicts in the sense of traditional 'bourgeois-liberal values' within the normal parliamentary dialectic of, say, a two-party system. Hence for good reasons there has been for the last 100 years in Italy the tendency to 'associate' opposites, to reconcile them 'transformistically' and to give preference to compromises—even imperfect ones—over clear alternative solutions: Catholic 'organic' state theory here meets new Communist conceptions of 'organized democracy'. Recently Berlinguer has even advocated the establishment, on the basis of the broadest popular consensus, of the 'hegemony' of an equally broadly understood working class as being 'both conservative and revolutionary'.[19]

If such a thing as a liberal Europe still exists, it ought to recognize in these authentic tendencies the real risks of the 'Italian experiment'. For, soon the moment could come when the alternative will no longer be what is desirable but only what is politically possible: the Italy of a 'historic compromise' or of a dictatorship stemming from anarchy.

[17] *l'Unità*, 31 January 1977.
[18] See *Il Popolo*, 9 February 1978, and *Rinascita*, No. 41/1977.
[19] See Berlinguer's speech in Turin on 26 February 1978, and also his and Napolitano's speeches in Naples on 5–6 March 1978.

Greece: the end of consensus politics?

RICHARD CLOGG

DURING the seven years of the Colonels' dictatorship observers were fond of making two predictions. The first was to the effect that the Greek people had become disillusioned with the old politicians, whose intrigues and inability to co-operate had enabled the Colonels to establish their dictatorship virtually without opposition, and that a new political leadership would emerge from the political vacuum of the seven-year dictatorship. The second was that the stress of the dictatorship would result in a significant leftward shift in political opinion such as had occurred in Greece during the wartime occupation. The results of the elections of November 1974,[1] however, appeared to belie both predictions. For they resulted in a massive 54 per cent share of the vote for Constantine Karamanlis's conservative New Democracy Party. This seemed to indicate that the Greek electorate prized political stability over radical social change. Moreover, Greek voters in these elections demonstrated a strong attachment to traditional political loyalties and the pre-coup political world was able to demonstrate once again its remarkable resilience.

The opposition parties argued, however, that by holding elections within four months of the *metapolitefsi*, as the collapse of the dictatorship and the transition to democracy is known in Greece, Karamanlis was taking unfair advantage of the prestige accruing to him as the man who had restored political freedom to Greece. His implicit strategy in the elections, they claimed, had been to project himself as the one man who stood between Greece's newly won freedoms and a return of the tanks. Thus the elections, even if, unlike others in Greece's post-war electoral history, impeccably conducted, could not be regarded as a true test of political opinion. According to the opposition, the 69 per cent vote against a restoration of the monarchy in the referendum of December 1974 and the significant leftward swing registered in the municipal elections of the spring of 1975 more accurately reflected the trend of political opinion in the country. The results of the elections of November 1977, which indicated a dramatic increase in the vote for Andreas Papandreou's

[1] Analysed in the author's 'Greek perspectives after the elections', *The World Today*, January 1975.

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radical socialist *Panhellenic Socialist Movement* (Pasok), would appear to lend some credence to such an analysis and to indicate an increasing radicalization of the Greek electorate, as memories of the Colonels' dictatorship, and fears of its reimposition, fade.

On 20 September 1977, after some months of speculation that such a move was afoot, Karamanlis announced the holding of national elections on 20 November. This was one year in advance of the constitutional expiry of the term of the Parliament elected in November 1974. Karamanlis, firmly in command of his massive parliamentary majority, was under no domestic pressure to advance the date of the elections. He argued, however, that in 1978 crucial decisions would have to be taken in the field of foreign affairs, over Cyprus, over the various bilateral issues dividing Greece and Turkey and over Greece's application for accelerated membership of the EEC, in advance of the 1984 date projected in her 1962 Treaty of Association.[2] These important decisions, he maintained, could only be made by a government armed with a fresh electoral mandate. With the exception of Papandreou's Pasok, all the opposition parties expressed themselves against the holding of early elections. Despite their objections with regard to timing, there were no criticisms as to the manner in which they were held. Great care was taken, as in 1974, not only that they should be impeccably conducted but that this should be seen to be the case. Within a short time a campaign promoted with all the vigour and rumbustiousness characteristic of the electoral process in Greece was under way.

The political spectrum

Some important changes had taken place in the political spectrum since the 1974 elections. The most significant of these was the emergence in the summer of 1977 of a new party on the far right, the *Ethniki Parataxis*, or National Rally. This was founded by the veteran politician Stephanos Stephanopoulos, who had been passed over by King Paul in favour of the relatively unknown Karamanlis as Prime Minister on the death in 1955 of Marshal Papagos. In 1965–6 he had been Prime Minister of the 'apostate' Centre Union Government that had taken office following the constitutional crisis involving King Constantine and George Papandreou of July 1965.[3] The National Rally made it clear that its appeal was directed at royalists, unhappy with the results of the 1974 referendum, at erstwhile supporters of the fallen dictatorship, to whose imprisoned leaders it held out the prospect of an amnesty, and at right-wingers who believed that Karamanlis, in seeking to curb the wilder excesses of Greek capitalism, was pursuing a dangerously 'socialist'

[2] See John Pesmazoglu, 'Greece's proposed accession to the EEC', *ibid.*, April 1976.

[3] See Marcus Wheeler, 'Greece: grapes of wrath', *ibid.*, June 1967, pp. 233–5.

course. The National Rally favoured Greece's accession to the EEC and strongly urged Greece's return to full membership of the Nato alliance and the healing of the breach occasioned by Karamanlis's withdrawal of the Greek armed forces from the Nato command structure in the wake of the Turkish invasion of Cyprus in July 1974.[4]

The orthodox Right was represented once again by Karamanlis's own New Democracy party. As in the 1974 campaign, New Democracy emphasized its strong commitment to Greece's accelerated accession to the EEC and reaffirmed its basic support for the Western alliance, while stressing that there could be no return of Greece to the Nato fold before Greece's difficulties with Turkey had been resolved. At the same time, it made clear its desire for increased co-operation with Greece's Balkan neighbours and with the Arab world. In matters of domestic policy, it reaffirmed its basic commitment to free enterprise tempered by state intervention to counteract structural imbalances in the economy and to increase competition. It also pointed to its reforms in the field of education, namely the extension of the period of compulsory public education from six to nine years, its increased emphasis on technical education and the replacement of the archaizing '*katharevousa*' as the official language of education and the state by the 'demotic' or spoken language.

On the centre-right a new party appeared, which had not contested the 1974 elections. This was Constantine Mitsotakis's New Liberals. The New Liberals, whose appeal was aimed particularly at the traditionally Venizelist stronghold of Crete, claimed to represent the authentic tradition of Venizelist liberalism now that George Mavros, the political heir of George Papandreou, was pursuing an avowedly socialist course. Mavros's Centre Union had formally fused in 1976 with the New Forces group, with which it had been in coalition in 1974, to form the Union of the Democratic Centre (Edik). Edik espoused a basically social-democratic political platform. While sharing to the full New Democracy's commitment to the EEC, Edik ruled out the possibility of Greece rejoining the integrated command structure of Nato, arguing that Nato had suffered an irreversible blow to its credibility on account of its inability to avert the Turkish invasion of Cyprus and to prevent two Nato allies, Greece and Turkey, from coming to the brink of war. For this reason Edik advocated the creation of a separate European defence system, based on the EEC. It opposed the revised agreement, initialled in July 1977 but not yet ratified, defining US rights to use military facilities at four bases in Greece, under close Greek supervision, in return for the provision of military aid to the value of $700 m., arguing that the contingent promise of defence aid to Turkey to the value of $1,000 m. was an invitation to Turkish aggression. Edik favoured an improvement in relations with the Soviet Union as well as with the Arab countries and Greece's Balkan

[4] See the author's 'Greece and the Cyprus crisis', *ibid.*, September 1974.

neighbours. In domestic affairs, Edik advocated a policy of partial nationalization, coupled with a greater emphasis on long-range planning, together with major reforms in the sphere of education.

A more red-blooded type of socialism was advocated by Andreas Papandreou's Pasok. Pasok's somewhat idiosyncratic brand of populist socialism placed emphasis on three basic tenets: socialization (as distinct from nationalization), decentralization and worker self-management. It proposed the 'socialization' of such basic areas of the economy as energy, banks, transport, shipbuilding, chemicals, fertilizers and cement production. Small and medium-sized firms would be permitted to co-exist alongside the 'socialized' sector. But the private sector in education, which has reached very considerable proportions in recent years in response to the deficiencies of the state system, would be abolished. In pursuit of administrative decentralization, which is admittedly a pressing need in a country whose capital is unbalanced both in terms of the concentration of population and as the focus of the decision-making process, Pasok advocated the establishment of 11 regional councils. These would enjoy a considerable degree of administrative autonomy and a wide-ranging jurisdiction, save for such areas as defence and foreign policy, which would be the preserve of the central government.

Pasok's platform in matters of foreign policy was equally radical. In contrast to the National Rally, New Democracy, the New Liberals and Edik it opposed Greece's planned accession to the EEC, arguing instead for a loose association agreement on the Norwegian model. Pasok believed that EEC membership would only serve to 'consolidate the peripheral role of the country as a satellite of the capitalist system', that it would place obstacles in the way of coherent national planning and that it would pose a serious threat to the development of Greek argiculture and industry. Over Cyprus and the question of Greco-Turkish relations, Pasok advocated the internationalization of the Cyprus problem and urged a strong stand against what it saw as American-inspired Turkish aggression in the Aegean. At the height of the Greco-Turkish confrontation during the summer of 1976,[8] when the Turkish survey ship *Sismik* carried out seismological soundings in areas of the Aegean claimed by Greece as forming part of its continental shelf, Papandreou had called for the sinking of the *Sismik*, an action that, if carried out, would almost certainly have precipitated hostilities between the two countries. In furtherance of Greek sovereignty, Pasok advocated the extension of Greek territorial waters from six to 12 miles, a move which although justified under international law, would, if implemented, leave few areas of the Aegean outside Greek jurisdiction and confirm Turkish suspicions that Greece was trying to turn the Aegean into 'a Greek lake'. Pasok was resolutely

[8] See the author's 'Balkan kaleidoscope', *The World Today*, August 1976, p. 306.

opposed to any association, political or military, with Nato and to the granting of military facilities, on whatever conditions, to the United States. Instead it called for closer ties with the non-aligned countries of the Third World and advocated support for anti-imperialist liberation movements. Reflecting xenophobic attitudes that are on the increase in Greece, Pasok declared that aliens would be forbidden to own land in Greece or to seek employment that might otherwise go to Greeks.

Just as there were significant developments on the far right, so there were on the far left. The United Left coalition of 1974, comprising the two wings of the Communist Party, those of the Exterior and Interior, with the pre-coup United Democratic Left (EDA), which had essentially been a cover for the then illegal Communist Party, had soon broken up into its constituent parts. The orthodox Communist Party of Greece (KKE), which remained loyal to the precepts of Moscow, was in 1977 contesting its first elections as an independent party since 1936. It opposed Greek accession to the EEC, Greek membership of Nato in any form, and any kind of US military presence in Greece. Instead it advocated the transformation of the Balkans and the Mediterranean into a 'zone of peace'. It called for an extensive programme of nationalization and a diminution of the privileges accorded to foreign investors in Greece.

The Communist Party of the Interior, which advocated 'Euro-communist' policies akin to those of the Spanish and Italian parties, formed a coalition with the United Democratic Left, whose *raison d'être* as an independent party had largely disappeared with the legalization of the Communists. These two parties coalesced with three other small groups to form the Alliance of Progressive and Left-Wing Forces. These were Socialist Initiative, consisting of four deputies who had split from Edik in 1976, protesting that it was not firmly enough committed to socialism; Socialist Progress, a splinter group from Pasok; and Christian Democracy, a radical Christian group. Advocating the socialization of Greece by democratic means, the Alliance was prepared to accept Greek entry into the EEC, subject to certain safeguards. At the same time it urged Greek withdrawal from any association with Nato and the denial of any kind of base facilities to the United States. In matters of domestic policy it advocated a much greater state role in industrial planning. On the extreme left was the Revolutionary Communist Party of Greece (EKKE), which followed a pro-Chinese line.

Surprise election result

As expected, Karamanlis's New Democracy retained a comfortable working majority in the new Parliament which emerged from the elections of 20 November 1977, although the electoral system in force, that of 'reinforced' proportional representation, had been amended somewhat to reduce its bias against the smaller parties. Although its share of the vote

had fallen from 54·37 per cent in 1974 to 41·85 per cent, it none the less retained control of 172 seats in the 300-seat Parliament. The real surprise in the elections, however, was the dramatic advance in Pasok's share of the vote. Although many observers had predicted that Pasok's vote would increase, most were surprised that it almost doubled its vote from 13·58 per cent in 1974 to 25·33 per cent, which resulted in an increase of its seats in Parliament from 13 to 93. By contrast, the vote of the Union of the Democratic Centre was almost halved, slumping from 20·42 per cent to 11·95 per cent, the seats it controlled falling from 60 to 15. The drop in the centre vote between 1964 (171 seats) and 1977 was even more striking. The votes of the orthodox Communist Party of Greece held up well in comparison with 1974 and, with 9·36 per cent of the vote, it almost equalled the percentage vote received by the entire United Left coalition in 1974 and gained 11 seats. The ultra-right National Rally, with 6·82 per cent and 5 seats, did significantly better than its counterpart in the 1974 elections, the National Democratic Union, which then received a derisory 1 per cent of the votes and no seats. The Alliance of Progressive and Left Wing Forces, with 2·72 per cent gained 2 seats, as did the New Liberals with 1·08 per cent.

The New Democracy vote was fairly evenly distributed throughout the country save Crete, where it received only 24·06 per cent of the vote. Crete, a traditional stronghold of Venizelist Liberalism, was the only region in which the vote for the Union of the Democratic Centre, at 23·60 per cent, approximated to its 1974 level throughout the country. As expected, the New Liberals, too, made their best showing in Crete, where the party gained both its seats and achieved 13·42 per cent of the vote, in contrast to its nationwide share of 1·08 per cent. Analysis of voting patterns indicates that Pasok achieved its best results in predominantly rural areas, with 30·55 per cent in the Third Major Electoral District (North West Peloponnese and South West Rumeli), 29·95 per cent in Crete and 29·03 per cent in Epirus. Not surprisingly the National Rally achieved its highest share of the vote in the traditionally conservative and royalist Peloponnese (11·97 per cent) and the border region of Thrace (9·55 per cent).

Although the attention of commentators was naturally focused on the dramatic gains achieved by Pasok, the combined right-wing vote (i.e. National Rally, New Democracy and New Liberals) at 50 per cent had registered only a small decline since 1974. Yet the combined left-wing vote (i.e. Pasok, Communist Party and Alliance of Progressive and Left Wing Forces), at 37 per cent, was the highest in Greek electoral history. It was clear that Pasok's increased share of the vote had largely been achieved at the expense of the Union of the Democratic Centre. Edik's leader, George Mavros, acknowledging the serious blow to his party's fortunes, immediately stepped down from the leadership. The electoral

reverse it had suffered precipitated a major internal crisis in Edik. The upswing in the Pasok vote was, in part at least, due to an organizational machinery markedly superior to that of its rival parties. In part, too, it could be argued that some, at least, of the Pasok vote represented not so much active support for Papandreou's brand of radical populist socialism as a protest, at a time when Edik's policies were insufficiently differentiated from those of the ruling New Democracy, by those many Greek voters who felt that Greece had been betrayed by its traditional allies in the United States and in Europe.

Be this as it may, it was apparent from the election results that Karamanlis's strategy of going for early elections had to some extent backfired. For he was no longer able to argue, as he could on the basis of the 1974 results, that three-quarters of the Greek electorate supported Greek entry into the EEC. The pro-entry vote had now been reduced to just over 60 per cent. Moreover Karamanlis could now expect a vigorous challenge in Parliament not only over the question of Greek entry into the EEC but over the whole range of foreign policy issues: Cyprus, relations with Turkey, Nato and the United States. It may be, however, that had he not expedited the elections the ultra-right National Rally would have been able to make greater inroads into his electoral support by November 1978. Considering how soon before the elections the National Rally had been founded, its 6·82 per cent vote was a significant achievement.

Greater polarization

The results of the elections made it clear beyond doubt that the consensus that had existed in the post-war period between government and 'official' opposition in respect of many aspects of the country's foreign and domestic policies had ended. The Greek political spectrum had become significantly more polarized between Right and Left and the kinds of difficulties that Karamanlis would now face soon became apparent in the new Parliament. The general lines along which Pasok intended to attack Karamanlis emerged from a policy statement issued from a meeting of the Central Committee of Pasok at the end of February 1978. The policy statement attacked the 'barren and short-sighted' policy of New Democracy, whose attachment to the West led the Greek people into dead ends and traps. It claimed that during the coming months New Democracy would seek 'Nato' solutions to Cyprus, would return to the Nato fold unconditionally and would make further concessions to the United States over base facilities. It held that President Carter's policies demonstrated that US objectives were the 'destabilization' of the region, through the creation of crisis points in the Middle East and North Africa, and the pursuit of solutions that would serve its political, economic and military interests. It claimed that US policy aimed at splitting the Arab world and destroying the Palestinians who are

'the vanguard of the anti-imperialist struggle of the people of the region'. It attacked the forthcoming meeting between Karamanlis and the Turkish Prime Minister, Bülent Ecevit, on the grounds that such a meeting could only result in one-sided concessions in a situation in which small concessions would be of little avail, given that the objectives of Turkish expansionism, guided by the United States and Nato, were long-term ones. Following the Montreux talks between the two statesmen on 10 and 11 March, which, if they did not yield much in the way of concrete proposals for resolving the two countries' differences, did apparently serve to create a climate of mutual confidence, Papandreou denounced the meeting as a disaster, resulting in deadlock and unilateral Greek concessions. While espousing a radical line in both foreign and domestic policy, however, Pasok made it clear that the dogmatism and narrowness of the Communist Party of Greece, and its subservience to the Communist Party of the Soviet Union, effectively ruled out the possibility of co-operation.

During the coming months Karamanlis and his new Foreign Minister, Panayiotis Papaligouras, will be faced with decisions over the EEC, Turkey, Nato and the United States that will crucially influence Greece's foreign relations for years, if not decades, to come. Karamanlis can expect increasingly strident and militant opposition in Parliament from his left-wing opponents. None the less his control over his diminished, but still considerable, majority in Parliament is unlikely to be challenged in the forseeable future. Whether Papandreou will be able to consolidate and build upon his remarkable achievement in the 1977 elections at the next parliamentary elections remains to be seen. But, as long as a great many Greeks harbour deep-seated feelings of resentment at what they see as betrayal by their traditional allies, and as long as issues of vital concern to all Greeks in matters of foreign policy remain unresolved, his support is certainly not likely to diminish. The results of the 1977 elections have produced a more fluid political situation in the country than had seemed likely before they were held, and must necessarily occasion reflection on the part of Greece's prospective partners in Europe.

Syria and the Sadat initiative

A. I. DAWISHA

Institutional constraints as well as ideological commitments are behind President Assad's rejection of the Egyptian initiative.

THE Egyptian policy-makers have consistently claimed that President Sadat's visit to Jerusalem in November 1977[1] was designed to affect a fundamental change in Israel's attitudes towards its Arab neighbours. It is as yet unclear to what extent this has been achieved. Yet, on the inter-Arab level, the impact of Sadat's dramatic move was considerable. And no other Arab state was placed in a more difficult diplomatic and political position than Syria: for, of all the present 'rejectionist' states, only Syria had participated in the peace process that preceded the Sadat initiative. The Syrian decision-makers had publicly endorsed the efforts to convene the Geneva Conference and had stated their willingness to negotiate directly with the Israelis. Since the October War in 1973, President Assad had been gradually steering Syria away from its hitherto intransigent image to a more moderate and pragmatic stance. However, there were limits to this relative moderation beyond which Assad's freedom of manœuvre was severely restricted; and as the Sadat visit was perceived to lie beyond these acceptable limits, Assad's rejection of the initiative was inevitable. The most consequential of these constraints is the Baath Party, its role in Syria's decision-making process and its influence on the attitudes of the Chief Executive.

The institutional constraint

Since his coup in 1970, President Assad has succeeded in creating a popular presidential regime in Syria. His popularity and stature in Syria and the rest of the Arab world continued to grow, reaching a pinnacle during and after the 1973 October War. One American analyst observed that while the adulation for Assad in Syria was more subdued than the Egyptian worship he had seen for Nasser in the 1950s, it, nevertheless, 'seemed more genuine, rooted deeper in mind than emotion ... [Assad's] style was low-key and determined, and it had obviously . . . struck a

[1] See Keith Kyle, 'President Sadat's initiative', *The World Today*, January 1978.

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responsive chord in the Syrian character'.[2] This popularity was enhanced by a number of constitutional provisions which gave the Chief Executive sweeping powers, thus making the Presidency the central institution in the decision-making process.

This power, however, is by no means absolute. Unlike other Middle Eastern political systems, Syria's presidential system includes a powerful sub-system in the form of the Baath Party. Organizationally, the party is of pyramidal structure, at the top of which lie the Regional and National Commands. In addition to the President, who acts as the Secretary-General of the Party, the Regional Command includes such influential members of the policy-making elite as the Prime Minister, Abd al-Rahman Khleifawi,[3] the Foreign Minister, Abd al-Halim Khaddam, and the Defence Minister, Mustafa Tlas. Other prominent members who do not hold ministerial portfolios are the Assistant Secretary-General of the Party, Abdulla al-Ahmar, the Assistant Secretary-General of the Regional Command, Muhammed Jaber Bajbouj and Rifaat Assad, the brother of the President.

Parallel to this, there is the National Command, whose sphere of responsibility lies in the foreign sector, particularly with the Arab world. Unlike its Iraqi counterpart, which is allocated a nebulous advisory function, the Syrian National Command wields considerable influence in foreign affairs. It is thus significant that six out of the seventeen members of the Command are also members of the Regional Command, including the President, Khaddam, Ahmar and Bajbouj. Particularly active is the National Command's International Relations Committee under the chairmanship of the Jordanian-born Dr Fawaz al-Sayyagh. Another very important member is the Chief of the Air Force and National Security, General Naji Jamil. Moreover, in the issue-area of Arab-Israeli relations, the two Palestinian members of the Command, Samir al-Attari and Zuhair Mohsen, the leader of the al-Saiqa guerrilla group, are active participants in the decision-making process.

The influence of the party is clearly spelled out in the Syrian Constitution which states that 'the Baath Arab Socialist Party is the leader party in the state. It leads a Progressive National Front (PNF) whose duty is to mobilize the potentials of the masses and place them in the service of the Arab nation's objectives'.[4] According to the Constitution, therefore, the Baath Party is the core institutional unit in the Syrian political system. And although in theory the Baath is supposed to share power with other parties in the PNF, in reality it remains the primary institutional actor. Indeed, the charter of the PNF unequivocally states that political activity,

[2] Thomas Kiernan, *The Arabs: Their History, Aims and Challenge to the Industrialised World* (Boston: Little Brown and Company, 1975), p. 297.

[3] He was replaced in March 1978 by Mohammed Ali Halebi, but is still influential in the party.

[4] See Antoine Guine, *The New Syria* (Damascus: SAMA, 1975), p. 103.

except by the Baath, is prohibited in the two sensitive sectors of societ the armed forces and the educational institutions.[5]

The influence of the Baath Party in Syria's decision-making proces furthermore relates to President Assad's own perception of his role vis-a vis the party. 'Assad became a member of the party at an early age, lon before he entered the military. Ideologically and emotionally, therefor he himself accords considerable respect and prestige to the party.'[6] More over, much of his regime's legitimacy rests on the system of values advo cated by the Baath. Thus, to undermine the influence and prestige of th party could lead to the weakening of the regime itself. Consequently, th two institutions of the Presidency and the Party in Syria tend to be inter dependent on each other for ideological credibility and political surviv —an inter-dependence which is very rare in other Arab political system where institutions are completely dependent upon, and subservient t the power and authority of the Chief Executive.

It is very unlikely, therefore, for President Assad to take a unilater important decision without consulting the top leadership of the Part whose members are frequently involved in high-level consultations an policy co-ordination with other states. Thus, the two lengthy meeting between Assad and the Algerian President, Houari Boumedienne, in th wake of the latter's visit to Iraq and the Gulf in January 1978, include Khaddam, Khleifawi, al-Ahmar and Bajbouj.[7] It is in this context that close observer of, and participant in, Syria's decision-making proces commented that only extremely rarely would the President take a decisio without consultations within the Government and sometimes wit people outside it, such as university professors. 'These consultation usually centre on the leadership of the [Baath] Party . . . if there is n time, he will certainly make a point of at least contacting by phone som members of the party leadership.'[8]

Since the party, through its avowedly Arab nationalist ideology, ha perceived itself as the guardian of all Arab nationalist causes, its positio on Israel has always been vociferously militant. This posture has bee reinforced by the competition existing between the Syrian Party and it Baathist counterpart in Iraq. As exponents of the same ideology, bot Baathist factions have persistently accused each other of ideologic deviation. Not subject to the pressures of being contiguous to Israel, th Iraqi Baathists have been particularly vehement in their denunciation o Syria's alleged 'capitulationist' policies. In addition to any ideologic

[5] See A. I. Dawisha, 'The Transnational Party in Regional Politics: The Ara Baath Party', *Asian Affairs*, vol. 61, 1974, p. 27.

[6] Interview with the Syrian Ambassador to the United Kingdom, Mr Adna Omran, 7 October 1977.

[7] *Al-Thawra* (Damascus), 11 January 1978.

[8] Interview with the President's Adviser on Foreign Affairs, Dr Adib al Dawoodi, 12 January 1978.

motivation, therefore, the party hierarchy in Syria has pursued militant policies for political reasons as well. Thus, the party has tended to act as a counter-balance to the President's more pragmatic approach, and, as a result, policies in this particular issue-area have frequently been a compromise between the party's gravitation towards ideological orthodoxy and political militancy and the President's tendency towards pragmatic solutions. This is not to imply that President Assad has lacked ideological commitment, but, enacting a different role from the party ideologue, the President's interpretation of ideological imperatives has been balanced by an appreciation of prevalent environmental constraints, and has consequently tended to be more pragmatic and flexible. For example, the Syrian attack on the Sinai interim agreement between Egypt and Israel signed in September 1975[9] was conducted primarily by the Regional and National Commands of the Party, whereas President Assad's hostility to the agreement was much more restrained. And the reciprocal offensive against Syria undertaken by President Sadat and by Egypt's propaganda organs was aimed not so much at the person of the Syrian President as at the two commands of the Baath Party.

Given these party attitudes, the Sadat initiative, with its perceived connotation of bestowing legitimacy on post-1967 Israel, was bound to be vigorously resisted by the Party. In other words, notwithstanding Assad's own not inconsiderable reservations, the President was severely constrained by the Party's predetermined and publicly declared attitude towards Israel and the occupied territories. Moreover, this attitude did not reside solely with the party elite but seems to have pervaded all party and society levels. Any implicit acceptance of Israel in its post-1967 form, therefore, would run contrary to the country's belief in 'its vanguard role in the Arab nationalist movement which is historically based, and which imposes on the Syrian Arab people specific avenues of behaviour from which they cannot deviate'.[10] Thus, unconvinced by Sadat's arguments and constrained by Party hostility, Assad's response was inevitable. After the visit of the Egyptian President to Damascus on 16 November, President Assad met the leaders of both commands of the Party and the leaders of the National Progressive Front on 17 November and informed them of his conversation with Sadat. At the end of a lengthy meeting, a consensus emerged that Syria could not follow in Sadat's footsteps.[11] The following day, an official statement publicly announced the Syrian decision.

It ought to be stressed here that for the Syrian decision-makers there is no embarrassing intellectual contradiction between the 'Arab nationalist cause' and Syria's own interests and security. Perceiving itself as the

[9] See Sam Younger, 'The Sinai Pact', *The World Today*, October 1975.

[10] Interview with the Syrian Minister of Information, Ahmad Iskander, 13 January 1978.

[11] Dawoodi interview, as footnote 8 above.

'vanguard country in the Arab nationalist movement', Syria considers its survival and its continued political dominance essential to the fulfilment of Arab aspirations. It is in this context that the Syrian offensive against the Palestinians in 1976 and the lack of Syrian response to the massive Israeli incursion into Lebanon in March 1978 can be understood.

Tactics and policies

Apart from the institutional and ideological constraints, the Syrians differed from the Egyptians in their tactical assessment of the Arab–Israel situation. The Syrians had indicated their willingness to participate in face-to-face negotiations with the Israelis in Geneva. They had publicly stated that recognition of Israel would be forthcoming if and when the Jewish state withdrew from the occupied territories and the 'legitimate rights of the Palestinian people' were restored. The Syrians believed that negotiations in Geneva would be conducted from a relative position of strength even in the face of Israel's undoubted military superiority. In the Syrian calculations, the Arabs possessed two crucial bargaining cards. The first was the offer of an Arab acceptance of Israel as a sovereign and legitimate state in the area and the second was the Arab's long-term ability to activate the war option. While admittedly sceptical about Geneva's prospects for success, the Syrians believed that their stick-and-carrot policy was the best and most effective method to extract meaningful and wide-ranging concessions from the Israelis. Given this mode of thinking, it is not difficult to see why Sadat's sudden visit to Jerusalem met with hostility in Damascus. According to a leading official in the Syrian Foreign Ministry, 'in one incomprehensible stroke, the Egyptian leader incredulously handed on a plate to the Israelis our two main bargaining cards without getting anything in return. By speaking to their Knesset in Jerusalem, he implicitly accorded Israel in its post-1967 form the legitimacy it had always sought from the Arabs. And by declaring more than once that Egypt and Israel would never go to war again, he effectively neutralized the western front, thus making the war option far less credible.'[18] To the Syrians, therefore, the Sadat initiative, by robbing the Arabs of their main bargaining cards, was tactically disastrous, leading to a considerable weakening in the Arab position.

The Syrians also believe that the Sadat visit adversely affected the global configuration of forces with regard to the Arab-Israeli conflict. They argue persuasively that before Sadat's visit, because of the moderate and pragmatic positions of Egypt and Syria, there was strong pressure from the United States and the European countries on Israel to make wide-ranging concessions, and it was Israel which was perceived as being intransigent. Now, even though Israel's position had not changed, and

[18] Interview with the Syrian Deputy Foreign Minister, Dr Abdulla al-Khani 7 January 1978.

its so-called concessions were the same 'laughable' concessions that it was prepared to give before Sadat's visit, international pressure had shifted and was being exerted on the rest of the Arab world, particularly Syria, to join the Sadat–Begin talks. 'And because Syria rejects these pressures, and its rejection is based on the rational belief that these negotiations are against Arab and Palestinian interests, Syria is now seen as being intransigent and inflexible.'[13] Within this context, the Sadat initiative has left Syria in a delicate diplomatic and political position. On the one hand, it cannot join the Egyptian initiative, yet, on the other hand, it does not wish to be absorbed into the extreme politics of the ultra hard-line states, such as Iraq. Syria's dilemma is that it does not want to abandon the efforts for peace, yet it cannot follow policy lines that are deemed 'capitulationist'. The Syrian decision-makers have thus had their options considerably narrowed by the Sadat initiative.

Given the confusion that has pervaded the Arab world as a result of Sadat's visit to Jerusalem, Syria's position is clear only in so far as its rejection of Egyptian tactics and the premises upon which they are based is total. The Syrians do not even seem to have formulated any contingency planning should the Egyptian President meet with unexpected success. Their leaders believe that 'The Sadat policy is doomed to failure. This evaluation is based on a rational assessment of Israeli intentions and policies in the area. Sadat will not bring peace; he has only brought division among the Arab ranks. So why waste time and energy discussing dreams and illusions?'[14] The Syrians, therefore, are engaged in a parallel diplomatic operation designed to win support for Syria's position and to isolate Egypt on a global and regional level.

Globally, it has become imperative for Syria to strengthen its ties with the Soviet Union. Fearing the possible future neutralization of Egypt, the Syrian leaders need a rapid improvement of their military capability in order to restore some semblance of credibility to the military option. Increased military strength would also serve to deter Israel from exploiting its present immense military superiority and mounting a preventive strike against Syria. Finally, Soviet arms and unequivocal Soviet diplomatic backing for Syria could engender in the Egyptian people and army officers growing resentment against the inferior military aid and political support extended to Egypt by the United States. Consequently, at the end of Assad's visit to the Soviet Union on 23 February 1978, the Syrian President fully endorsed the Soviet long-standing demand that peace

[13] Interview with the Director of External Relations at the Ministry of Information, Mr Zuhair Jinan, 5 January 1978.

[14] Al-Khani interview, as footnote 12 above. Iskander too voiced similar sentiments. The Syrians' assessment seemed to have received confirmation by the Israeli retaliatory incursion into Lebanon in mid-March. However, due to their inferior military capability at the present time, their response was confined to a grudging support of the United Nations peace-keeping operation.

talks could be conducted only with the full participation of the Soviet Union.

On a regional level, Syrian policy has been aimed at isolating Egypt from the Arab world, and at establishing a coherent Eastern Front capable of activating the military option without the need for Egyptian support. To achieve the former goal, the Syrians have attended two 'summits of steadfastness' in Tripoli and Algiers with Libya, Algeria, South Yemen and the Palestine Liberation Organization (PLO). In both meetings, the Syrian President succeeded in uniting the other participants around Syria's position. More problematic have been Syria's efforts to gain the support of Saudi Arabia and Jordan, which have opposed Sadat's initiative for tactical reasons, but which, nevertheless, have seemed far less hostile to the idea than Syria. Jordan's 'defection' would be particularly detrimental, since the Hashemite Kingdom constitutes an important part of the Eastern Front, already undermined by Iraq's idiosyncratic behaviour.

The 'problem of Iraq' is paramount in Syria's decision-making. As the Minister of Information commented: 'Iraqi support and the depth that Iraq would give to the Eastern Front is invaluable. But we cannot understand Iraqi hostility. We have always said that this hostility comes from the Iraqi side. This is a great pity. For our part, we have always been ready to normalize relations, but it is up to them.'[15] There is no doubt that the Sadat initiative has made the normalization of relations with Iraq strategically and politically imperative for Syria. The Syrian President has even gone so far as to say that a tactical alliance with Syria against Egypt and Israel in present conditions need not preclude Iraq from pursuing its long-term goals, even if those goals did not conform to Syria's beliefs.[16]

Domestic constraints, shifts in international opinion and pressure, and the volatility of inter-Arab relations have placed Syria in a difficult political position in the wake of the Sadat initiative. Syria, however, is far from being regionally or internationally isolated. The situation remains flexible and highly unpredictable. In the final analysis, the eventual success or failure of Syria's policy will depend not only on its own efforts but also, and perhaps more crucially, on the outcome of the Sadat initiative.

[15] Iskander interview, as footnote 10 above.
[16] *Al-Thawra* (Damascus), 10 January 1978.

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Note of the month

JURISDICTION AT SEA

By the time this note is published, it will be clear whether or not the current session of the Third United Nations Conference on the Law of the Sea (Unclos III), which opened in Geneva on 28 March, has agreed the text of a new Convention. If—by extraordinary chance—it has, it may be worth suggesting criteria by which to judge its general promise for Western Europe; if it has not (and it has had seven so-called 'hard-core' issues on which to reach a consensus), such criteria may help point out the direction in which further amendment of the text should move.

The text on which the Conference has now been working—which a final text will, at any rate, substantially resemble—can be examined under four heads: economic, environmental, military and something one might rather roughly call 'conducive to general human well-being'. Logically prior to those four heads comes the question of the importance or otherwise of having a whole new Convention: but to this we shall return later.

The text now being worked on is the Informal Composite Negotiating Text (CNT), successor to the Single Informal Negotiating Text (SINT) and the Revised Single Negotiating Text (RSNT). Although CNT is not a fully agreed text, two issues on which there is now no disagreement—the 200 n.m. Exclusive Economic Zone (EEZ) and the 12 n.m. territorial sea—are effectively in process of being moved, because of conference consensus, from the internationally questionable status of 'unilateral extensions of national jurisdiction' into the acceptable one of 'international customary law'—though they still do not enjoy the full status of 'international conventional law'.

There is in fact still considerable work to be done on the detailed language of the text even where it deals with the EEZ and the Territorial Sea: under all four heads there are insufficiencies and pitfalls. Thus, although by and large satisfactory on the economic side—the natural resources of the waters are to belong to the Coastal State out to 200 miles and those of the shelf probably to the edge of the continental margin—pollution is still considered an environmental, i.e. a quasi-aesthetic, matter, rather than one of straight economics. The recent series of oil-tanker accidents may persuade governments that such accidents and their effects are a true cost of the oil and shipping industries, which

should not fall on the tax-payer, and that the seas' useful ability to absor waste is itself a limited, and therefore valuable, resource which has to b managed and allocated like any other economic resource. Certainly th CNT does not yet sufficiently reflect this insight in its provisions fo either the territorial sea or the economic zone. The reason is a by no largely sentimental attachment to freedom of navigation—a right n more plausible for today's quarter-million-ton carriers of highly dange ous cargoes in confined seas than would be freedom of navigation in th air for jumbo jets over southern England. There is now a need to establis unequivocally the right of the coastal state to enforce internationall agreed rules for shipping in both the territorial sea and the economic zon (The way to secure unhampered transit—the shipping industry's rightfu requirement—is by way of a proper licensing system.)

There are several other areas where agreement has in theory bee reached but where the resting point of that agreement is fundamentall unstable. Thus, for the most part, except for the possible rights of land locked states, jurisdiction over fisheries out to 200 n.m. is now settled it is in the hands of the coastal state. But that still leaves internation fisheries beyond 200 n.m. unregulated: the tuna, the greater part of th sea mammals, the krill of the southern seas, will still be open to the kin of destructive exploitation, particularly by the Russians and the Japanes over which the Whaling Commission has, in recent years, presided.

Management of the valuable metalliferous nodules of the deep-ocea floor—all of whose resources are designated the Common Heritage o Mankind—has still not been agreed at the time of writing. The issue i probably not quite as urgent as the United States has sometimes claime and over-hasty agreement might be bad agreement. But in the long rur in a world of limited resources, those of the deep sea-bed must be mad available more, rather than less, freely to the international community.

The worst instability enshrined in the CNT is probably its silence con cerning military matters. Within that silence a number of rights fo navies lie hidden: the right to conduct naval exercises within the EEZ o other states (the Soviet Union regularly, and increasingly, conducts the in among British and Norwegian North Sea oil fields); to hold weapo tests there; to set up platforms for military use, non-nuclear weapon hardware of any kind, as long as it has nothing to do with the 'exploratio or exploitation of the economic resources' of the EEZ. Moreove states would also—according to the CNT—have the right to exclud themselves from having disputes concerning their military activitie submitted to the dispute settlement machinery.

These various 'military exclusions' make both article 88 of the CNT— which declares that the 'High Seas shall be reserved for peaceful pu poses'—and the second paragraph of the preamble—'Believing' . . . tha 'the present Convention will contribute to the maintenance of inte

national peace and security'—a dead letter. The conclusion must be that the present text is not yet good enough, and does not adequately conduce to general human well-being.

What then? Normally, the text agreed at an international conference becomes immediately open to signature, then to ratification, and eventually the Convention comes into force when sufficient ratifications are to hand. After five years, or ten years, there might be a review conference, or perhaps—if the process of coming into force has been particularly long-winded—there could be another meeting to amend the text even before the Convention actually came into force.

The alternative for Unclos III—and it is one well worth considering—is that the Conference should institutionalize itself, and become, de facto, another member of the United Nations family. It would enter into a rather close relationship with the Intergovernmental Maritime Consultative Organization (Imco), perhaps inducing the latter to organize a licensing system for international shipping. It would also enter a relationship with an enlarged International Commission for the Exploration of the Seas (Ices), which would concern itself with international maritime research world-wide; and also, of course, with whatever Authority is established to deal with the exploitation of the resources of the sea-bed beyond zones of national jurisdiction. The Food and Agriculture Organization (FAO) already plays a large role in international fisheries. It, too, would plug in, and so would the UN Environment Programme (Unep) under whose auspices several regional maritime protection schemes are already developing (that for the Mediterranean sees Arabs and Israelis working side by side).

Unclos itself would, of course, continue as the legislating body, defining the limits within which national jurisdiction is internationally recognized as legitimate; or perhaps it might be more accurate to say, within which national regulation is recognized as not illegitimate: this is how the principles of the EEZ and the 12 n.m. territorial sea have been accepted.

In fact, the methods whereby the Conference has been reaching agreement—that of the metamorphic Informal Negotiating Text progressing from stage to stage but never, so far, reaching its imago—may well turn out to be peculiarly suited to very large, very complicated, very slow international negotiations: it would probably suit disarmament negotiations very well. The constant updating of the text to conform to a constantly developing international consensus about what is not forbidden, may, in a world of rapid political and technological change, provide just that combination of certainty and flexibility that the hard and fast Conventions of yesteryear have signally lacked.

ELIZABETH YOUNG

France after the elections

J. R. FREARS

THE French parliamentary elections of March 1978 failed, to put it mildly, to live up to their advance billing. Constitutional upheaval, Soviet tanks at the gates of Paris, totalitarian collectivism and French withdrawal from the EEC, or a new era of social justice, the end of technocratic authoritarianism and wider opportunities for participation and involvement in decision-making: these were (depending on the observer's point of view) the vistas that lay beyond 19 March. The fact that the French people preferred to remain loyal to the old firm, however, did not make it an uninteresting contest, and the consequences probably would not have been very dramatic whoever had won. The election leaves us with three questions to reflect upon. Why was the Left unable to win? Will the election be a turning-point towards a realignment of the party system? What does it tell us about political consensus in France and the legitimacy of the regime?

Communist fears

My own answer to the first question is the conventional one that the Left lost because the French Communist Party (PCF) judged that it was less important to win the election than to avoid being eclipsed by the Socialist Party (PS). The seriousness of the danger faced by the PCF leadership is not perhaps widely appreciated. In the period 1974–7 when the Left seemed to be irresistible all the gains were going to the Socialists. It was the Socialists who surged to 30–33 per cent in the opinion polls. It was the Socialists who made spectacular gains in by-elections and in single-member-type local elections (e.g. *cantonales* in 1976). Much of this was achieved at Communist expense. In opinion polls, the PCF sank to around 17 per cent for a time and in many electoral contests it found its candidate lagging behind the Socialists at the first ballot. This is of great importance for, by virtue of the electoral pact between the Socialist Party and the PCF, only the candidate that did best of the two at the first ballot would go on to the second. It became obvious to the Communist leaders by early 1977 that if they did nothing to check the rise of the Socialists they could finish up at the parliamentary election of 1978 having only a handful of second-ballot candidates, hence a handful of

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members of Parliament and thus a very minor role in a left-wing government in whose victory their 5 million or so electors would have played a major part.

One does not, in my view, have to seek any more Machiavellian explanations for the decision of the PCF to turn its guns on the PS. Some commentators have suggested that the PCF was 'instructed' by the Soviet Union—which as a conventional great power does not care for 'destabilization'—to lose the election. Another, less far fetched, theory was that the PCF leadership did not want to find itself in a government that could do little but 'manage a crisis', that is to say, apply conventional and unpopular economic measures. Indeed, at a seminar last March at the *Fondation Nationale des Sciences Politiques* in Paris, an electoral strategist of one of the government parties claimed that his side had worked out it was going to win a year before the election—on the basis of analysing the PCF position with regard to being in government during an economic crisis. If this is true, then the choice of blood-curdling invocations of the sinister menace of a Communist take-over as the main, indeed sole, campaign theme of that strategist's colleagues seems a trifle dishonest.

At all events, the Communist guns were turned on the Socialists. As early as 1976, the PCF was sufficiently worried about PS candidates running ahead of it that, in the Versailles by-election, it placed resources and militants at the disposal of the Left–Radical candidate in the hope that a few first-ballot votes might be drained off from the Socialist candidate. In February 1977 the first salvo announced the barrage that was to follow. Just before the television confrontation of the Socialist party leader, François Mitterrand, with the Prime Minister, Raymond Barre, the PCF published its version of the cost of the Left's economic programme and how it would be financed. In consequence, it was a simple matter for M. Barre to ensure that the focus of the debate was the lack of credibility of a left-wing government. One Socialist activist I spoke to when the PCF published those figures thought that this was the beginning of a Communist offensive against his party. In June, the PCF leader, Georges Marchais, paused for 12 interminable seconds in a television interview before answering the question, 'Do you trust Mitterrand?' The acrimonious debate about the up-dating of the Left's '*programme commun de gouvernement*'[1] signed in 1972 raged throughout last summer. On 22 September came the breakdown of talks over the trivial pretext of whether partly owned subsidiaries of companies to be nationalized should be fully nationalized or not[2]—surely a detail that without dishonesty could have been held over until after the election. The next six months were spent,

[1] For the Common Programme and its role in the 1973 parliamentary elections, see Dorothy Pickles, 'The French elections', *The World Today*, April 1973.

[2] See George Magnus, 'The French elections in 1978: background and outlook', *ibid.*, July 1977, p. 260.

not in burying the hatchet or creating the climate of unity which is indispensable for left-wing success at the polls because of the vital importance of the transfer of votes between the parties for the second ballot, but in redoubled accusations of treachery directed at the PS, and a refusal even on the eve of the poll to give assurances about respect for the normal left-wing arrangements for a second-ballot agreement on single candidatures.

The Communists' election campaign, based on demands for vast immediate increases in the minimum wage and welfare benefits and a massive attack on profits and the rich, served to rally their own electorate and to scare off any hesitant moderate from voting Socialist. For how could the parties of the Left constitute a credible government when they could not even address a friendly word to each other? Also, the aggressive and intransigent Communist tone served neatly to reinforce the anti-Communist propaganda coming from the Left's opponents. The image of the PCF is of major electoral importance to the Left. In periods when the PCF is in a conciliatory mood, opinion polls show an increasing proportion of people willing to see Communist ministers in government. The figure decreases sharply during an aggressive phase.

PCF tactics were reasonably successful: the Communist share of the first ballot vote was only slightly down on 1973 (20·9 per cent from 21·4 per cent), there were 139 PCF candidates in second-ballot contests (less than the 184 achieved in 1973) and the highest total of seats in the National Assembly since 1958 (86 against 73 in 1973). The vote of the PS (together with the Left-Radicals—MRG—with whom the Socialists have a special alliance) was up from 20·8 per cent to 25 per cent, but nowhere near the great expectations aroused by the opinion polls and far short of generating that second-ballot magnetism which pulls an alliance to victory.

No major realignment

The second question about the election follows on from the first. Will the election of 1978 mark a turning-point in the realignment of the French party system? During the 20 years of the Fifth Republic, there have been one big realignment election and two elections which have added further modifications. The big realignment occurred in 1962. From 1958 to 1962, the period of the Algerian crisis, General de Gaulle had governed virtually alone. There was a large bloc of assorted Fourth Republic politicians—independents, moderates, radicals, socialists and others—who lent support from time to time. The referendum of 28 October 1962 on direct election of the President forced them all to declare which side they were on—for de Gaulle or against de Gaulle. In the November elections that followed two things happened. First, those elements in the Right and Centre who did not align themselves with de Gaulle were annihilated. Those who did, like Giscard d'Estaing, went on

to glory. Secondly, the parties of the Left, to avoid slaughter at the second ballot, made an agreement on mutual *désistement* in favour of whichever candidate was best placed at the first. So the trend towards bipolarization of the party system was under way.[3] Modifications occurred at the presidential elections of 1969 and 1974[4] when what remained of opposition centrism—in parties like the Centre Democrats or the Radicals led by Jean-Jacques Servan-Schreiber who refused alliance with the Socialists and Communists—was absorbed into the *majorité* (as the coalition that supports each President has come to be known). The 1978 election has revealed in dramatic terms the limitations for the non-Communist Left of this bipolarized party system. It cannot hope to win an election against a reasonably cohesive *majorité* without the support of the PCF and the 5 million electors who vote Communist. It cannot hope to win with that support unless it can show that the PCF would not be the senior partner in any left-wing government and unless the Communists do something about their Stalinist and pro-Soviet image. Yet 1978 has shown that the PCF is not prepared to give forth a dovelike sound if the role assigned to it is that of junior partner.

The Communists, now that their immediate fears of eclipse by the Socialists have been laid to rest, will want to get on with the strategy of *union de la gauche* which has been their policy since they first showed signs in the early 1960s of wanting to emerge from their Cold-War isolation and play a normal part in national political life. Indeed, declarations were made by Georges Marchais as early as 3 April that the liberalizing trend, symbolized by the PCF's 22nd Congress in 1976, when the Leninist notion of Dictatorship of the Proletariat was dropped from its programme, will not be reversed. The period from February 1977 to March 1978 was just a little local difficulty.

The PS, for its part, may well think twice about another close alliance of the Union of the Left with a Common Programme, but it is hard to see any radical realignment. The momentum of the PS was a momentum of opposition which does not permit a cosy coalition with the antagonists from a *majorité* one has bitterly contested. In the Fourth Republic where battle lines were more blurred and where the Socialist Party was largely composed of municipal councillors used to all kinds of coalitions, rigged up to suit the needs of the locality or of the moment, it might have been possible. Furthermore, it takes two to make a realignment and the only possible partners are the *giscardiens* who have just been re-elected thanks to the second-ballot votes of all the anti-Socialists who voted Gaullist in the first round.

Within the *majorité*, realignment of a kind has already taken place.

[3] See Leo Hamon, 'Voting patterns in Gaullist France: an analysis of the last referendum and elections', *The World Today*, April 1963.
[4] See Byron Criddle, 'The French presidential election', *ibid.*, June 1974.

The Centrist parties, who were in opposition under President de Gaulle and President Pompidou, but who supported the presidential candidature of Giscard d'Estaing, joined forces with the *giscardien* Republican Party to fight the election under the single label of UDF (*Union pour la démocratie française*). So the dominance of Gaullism, or rather of the Gaullist Party, which was breached by the election of President Giscard d'Estaing in 1974, is ended because the UDF reached virtual parity with the Gaullist RPR (*Rassemblement pour la République*). In parliamentary terms, the UDF has 137 seats to the RPR's 150. In terms of popular support, the UDF attained 21·3 per cent to the RPR's 23 per cent, and, even more significantly, it had 192 candidates in second-ballot contests compared with only 92 *giscardiens* and centrists in 1973.

When one reflects that in 1968 85 per cent of the vote for the *majorité* was for Gaullist Party candidates and that in 1973 80 per cent of *majorité* deputies elected belonged to the Gaullist UDR, one realizes how that dominance has been broken. If this electoral achievement of the UDF, related as it is to the success of the President in persisting with a policy of reform and the pursuit of consensus, is followed up by the composition of a single and durable UDF parliamentary group and a party structure of a federal type which is more than just an empty *structure d'acceuil*, then we might be witnessing the pre-natal phase of a French Liberal Party. If that turned out to be the case, 1978 would have been a minor realignment landmark after all.

Speculation about more fundamental change within the *majorité* seems premature. Much has been made and will continue to be made of the rivalry between Jacques Chirac and the *giscardiens*. However, it must not be interpreted as antagonism between Gaullism and non-Gaullism. Gaullism has assumed many forms during its history, its two basic shapes being Gaullism as a party of government, moderate, pragmatic and with a progressive social record, and Gaullism as an authoritatian mass-movement based on nationalism and anti-Communism. The first is the Gaullism that has contributed so much to the stability and progress of France in the last 20 years. It is the *giscardiens* who are assuming the responsibility of continuing that tradition. A voter can express that kind of Gaullism by voting, as many 'Gaullists' did in 1974, for Giscard d'Estaing or for the *giscardien* side of the *majorité* in 1978. Indeed, one striking confirmation of this was the way that in the election in April for President of the new Assembly Jacques Chaban-Delmas, the man who embodies the resistance epic and the heroic Gaullist tradition, whose progressive social policies as Prime Minister won him the enmity of the little group that now surrounds Jacques Chirac, who was the candidate of orthodox Gaullism against Giscard d'Estaing in 1974, was supported by the *giscardiens* and not by the Gaullist Party. The *chiraquien* form of Gaullism, the authoritarian anti-Communist mass movement, more like the RPF

of the period from 1947 to 1953, is an aberration in the history of the Fifth Republic and will find life difficult in the absence of a convenient red menace.

Consensus and legitimacy

Our third question concerned political consensus and the legitimacy of the regime. Does the ninth successive electoral victory by broadly the same *majorité* signify the well-established legitimacy of the regime or its precariousness because discontent cannot produce a peaceful change of government? My own view is that the first is nearer the truth but the difficulty of peaceful alternation is a residual problem of legitimacy. There is no major social group in France which challenges the institutions of the Fifth Republic, be it Catholics, workers, farmers, or whatever. Opinion polls consistently show an overwhelming majority in favour of the Republic's central institution—a directly elected Presidency. The election result seems to have been accepted calmly by all including the Communist-dominated CGT (*Confédération Générale du Travail*) and the 5·7 million people who voted Communist. The Fifth Republic, as a regime, gives every indication of possessing that widespread acceptance of its institutions which we call legitimacy. However, the ultimate test of legitimacy in a democracy is the peaceful alternation of power between Government and Opposition and there remains a basic mistrust between the political adversaries which makes this test singularly difficult. The prospect of electoral victory of a Left, which included a large Communist party with a Stalinist past, aroused misgivings in four areas: the economy, the Constitution, liberties and foreign affairs. In my view, misgivings in the first area were the most justified. The credibility of the Common Programme was seriously jeopardized by the conflict between Communists and Socialists, the competitive bidding of electoral promises it generated, and the obvious lack of a working relationship on economic and social questions that it revealed. There was also the problem of the flight of capital and a self-fulfilling prophecy about the collapse of confidence in the currency. The constitutional difficulties were greatly exaggerated. President Giscard d'Estaing never even hinted at constitutional chaos or a regime crisis if the Left won an election. The President would have had to accept certain constraints if a parliamentary majority opposed to his policies were elected—he would have had to appoint a government that reflected that new majority, he would have had to accept its legislative proposals. But a President retains plenty of weapons in his armoury with which to moderate such a government—the most formidable being the right of dissolution which could compel that government to appeal again to the electors just when it was at its most unpopular. On the question of liberties, whether a few Communist ministers, even in important posts, could have advanced some master plan to make France

a totalitarian dictatorship is a matter one can speculate upon. I should have thought it more likely that if they seemed bent on the unconstitutional or the illegal or the subversive, they would have been dismissed from office as in 1947. In the field of defence and foreign affairs, there is the obvious difficulty of access to defence planning by people who have been so closely attached to the Soviet Union. However, France is not a member of Nato, and in foreign affairs generally it is hard to see any important area of policy which would have radically changed: the posture of national independence, the policy towards the EEC and to enlargement in particular, or the French attitude to mutual and balanced force reductions, French policy in the Middle East or in Africa, and so on. At all events, exaggerated or not, it is the distrust aroused by the PCF on all these questions that constitutes the big remaining barrier to overt political consensus and the principal obstacle to the normal alternation of power.

President Giscard d'Estaing is engaged, in a quite genuine way I believe, on the preparation of the country for the eventual alternation of power, which he has declared to be fundamental to democracy. In a calm and prosperous country where there is no seething economic or social discontent, it is intolerable that the opposition parties have to be regarded by the Government and its officials as pariahs, that they accept to play such a role, and that the public can only choose a different government if it takes what is presented as a mighty risk of ruin and upheaval. Interestingly enough, the President has begun his search for common ground with the opposition in the field of foreign affairs. He has identified foreign affairs, not the Constitution, in his utterances before the election as a source of potential conflict between himself and a left-wing government the election might have obliged him to appoint. His Prime Minister would clearly expect a major role in the orientation of foreign policy and yet the President remains attached to the notion of the French Head of State as principal *interlocuteur* and initiator of foreign policy. At the same time it is quite clear that there is no major divergence of view on the principal options of foreign policy that separate the President from the opposition. What better field, then, in which to build the practice of regular consultation between executive and opposition which is common in other democracies? The President has frequently and admiringly related. how, on a visit to London as Head of State, the Leader of Her Majesty's Loyal Opposition joined the talks between himself and the Prime Minister. Foreign affairs lie at the heart of the President's vision of a more harmonious political community in France in which Government and Opposition, divided over many issues of policy particularly at home, could be united over global national objectives, as well as respect for the institutions of the Republic. As an expression of this, he has asked Socialist deputies to join him on his visit to the United Nations.

In a further attempt to make concrete a large area of consensus that

already exists, the President is hoping to find ways to involve the opposition in the everyday functioning of political institutions. He has made known his desire for opposition parties to have a greater role in Parliament in the form of committee chairmanships. There is talk of a 'Statute of opposition' which would include such elements as the right of reply to ministerial broadcasts and adaptations to parliamentary procedure so that the opposition could deploy its case more effectively. There is talk of a change to proportional representation in the electoral system. This would help the *giscardiens* in their struggle to throw off the yoke of Gaullist domination. Above all, it would help the Socialists because they would no longer be at the mercy of a second-ballot alliance with the Communists and the furiously competitive tactics that preceded the first ballot in 1978. The Communists have always been in favour of PR because they are traditionally under-represented in proportion to their share of the vote (though only a little this time), and because their image as 'extremists' makes it especially difficult for them to gather extra second-ballot support. The only major group that would reject the whole of this package lock, stock and barrel is Chirac's RPR. In the first place, the need to keep Communists firmly out of power is its principal theme. Secondly, the only test it now appears to apply to Government, Parliament, the Presidency or any other institution is, 'Are our members in the top jobs?' If the answer is no, then clamour is the sole response. There is, by the way, no 'Statute of opposition' in Chirac's own Paris City Council: Socialist and Communist Councillors are virtually excluded from all participation and committee work.

If any or all of these changes are to come about, and if the political elites in France are to reflect the consensus about fundamentals evident in the remainder of the population, it will require the persistence of an exceptionally liberal President and a willingness by the opposition to drop its posture of total and systematic refusal of anything it might be offered. Sometimes the opposition, and not only the Communists, seem to regard the opportunity for some limited participation in the working of institutions as a surrender or, worse, an act of 'class collaboration'.

In conclusion, France after the elections seems a country in search of the basis for peaceful political change. The Left lost because it could not, owing chiefly to the tactical preoccupations of the Communist leadership, provide a guarantee of credible alternative government that respected democratic fundamentals. The election was not a 'realignment election' but a holding election which underlined the limitations of the present party system for securing peaceful change while modifying the balance slightly in favour of the man best able to prepare the country for change—President Giscard d'Estaing. Finally the search is on, in the form of greater status for the opposition, greater consultation with it and a possible change in the electoral system, for a way to break the log-jam

and put consensus about the fundamentals of the political order on a firmer foundation. If that could be achieved, a mere change of government would no longer, in the words of the President in his book *Démocratie Française* (Paris: Fayard, 1976), need to be 'a series of chaotic upheavals, foreseen as great dramas, experienced as revolutions'.

Japan: problems of adjustment

MASAMICHI HANABUSA

Japan's perceptions of the international economy and its own role in it differ in many significant respects from the view taken by the world outside.

IT is often pointed out that the Japanese tend to treat changes in the external environment as 'given conditions' rather than as the 'products of interactions' involving Japan itself. Some relate this to their 'small-power mentality', a national inclination which, whatever its origins, is held responsible for Japan's frequent failure to respond in time to foreign calls. One example of this failure was the recent economic friction with Europe. The European irritation about the growing trade deficit with Japan, as demonstrated during the visit of a Keidanren[1] mission to Europe in September 1976, came as a sudden surprise to many Japanese, like the traumatic experiences of President Nixon's New Economic Policy of August 1971 and the oil crisis of October–November 1973.

Yet when faced with such 'surprising changes' in the external environment, it is customary for the Japanese to adapt to them with a good measure of pragmatism. When the need and logic of expediency are strong enough for everyone to see, domestic consensus in favour of accommodation eventually emerges, usually in the form of the acceptance of the unavoidable. This peculiar mode of external adjustment by the Japanese is, however, not devoid of pitfalls. Leaving aside the considerable delay in adjustment and the consequent irritation abroad, this Japanese pattern of response has created a dangerous misconception that Japan's capacity to accommodate is almost limitless. On the one hand, it increases the

[1] Japan Federation of Economic Organizations, a private nation-wide body representing all branches of economic activity in Japan.

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temptation to pressurize the Japanese to change their ways, and, on the other, it inevitably leads to resentment on the Japanese side. Thus recent pressures on Japan to precipitate a trade account turnround provoked an adverse reaction in Japan.[2] The progression of a spiral of emotional responses is fraught with danger.

In the wake of world economic dislocations resulting from the quadrupling of oil prices in 1973, widespread unemployment and chronic trade deficits are common features everywhere in the Western industrial world. Nevertheless, in 1977 Japan recorded, on a customs clearance basis, a global trade surplus of \$9·7 billion, a surplus of \$7·3 billion with the US and one of \$4·5 billion with the EEC. The measures which were taken by Japan last September and December[3] have not, at the time of writing, produced the desired turnround in its economic trends. Scepticism exists both at home and abroad about the feasibility of a 7 per cent growth target for the fiscal year 1978. Under the circumstances, despite growing Japanese resentment at the lack of understanding in America and Western Europe for Japan's situation, dissatisfaction about Japanese trade and economic performance is likely to remain strong abroad.[4]

Altered circumstances

Disappointment about Japanese performance sometimes seems to originate from the belief that the lack of will based on a small-power mentality fails the Japanese in the discharge of their responsibility as an economic power. In foreign eyes, Japan's position must appear an enviable one. But this is not quite the case. The fact is that for Japan the balmy

[2] See *Asahi*, editorial of 17 November 1977, and *Sankei Shinbun*, editorial of 26 February 1978.

[3] The Composite Economic Measures of September 1977 consisted of measures to promote public investment amounting to Yen 2 trillion, reduction of interest rates, measures to stimulate private demand, measures to promote imports etc. The External Economic Measures of December 1977 consisted of unilateral tariff reductions on a wide variety of items with the estimated import value of \$2 billion, further import liberalization, establishment of a new import financing facility, stockpiling of grain, crude oil, increased aid etc. The official discount rate of the Bank of Japan was lowered to 3·5 per cent in mid-March 1978.

[4] On the basis of the decisions taken by the Japanese Government in December 1977, a series of consultations were held with both the US and the EEC. A joint Japan–US statement issued on 13 January 1978 referred, inter alia, to a 7 per cent growth target for the fiscal year 1978, anticipated a substantial decrease in Japan's current account surplus in the fiscal year 1978 and enumerated certain trade measures looking towards increased imports, such as unilateral tariff reductions, removal of quotas on 12 items, and increased quotas of high-quality beef, oranges and citrus juices. A joint Japan–EEC communiqué issued on 24 March 1978 also referred to a 7 per cent growth target and reduction in the official discount rate, anticipated that current account surplus in the fiscal year 1978 would be about one-third smaller than in the fiscal year 1977 and that signs for a declining trend in Japan's current account surplus with the EEC would emerge by the autumn of 1978, and agreed on active negotiations in Geneva on the issue of safeguards. It was understood that the Japanese side intimated a prospective reduction of tariffs on confectionery.

days were over at the turn of the last decade. Throughout the 1950s and most of the 1960s, an abundant labour force and successive technological innovations assured increasing productivity at home while in external relations free trade meant expanding markets and easy access to raw materials. Japan could thus pursue a fast economic growth policy minding only its balance of payments. In the 1970s, however, both internal and external conditions are vastly different. It is now obvious not only to the economic planners but also to the Japanese people that the annual growth rate of over 10 per cent is no longer tenable owing to various restraints which began to emerge in the late 1960s; uncertainty about future energy supply, shortage of land space and labour, the slow-down of technological advance and frictions in overseas markets have combined to reduce economic growth. In other words, the external environment is not 'given' any longer; the Japanese must work upon it to secure energy supply, favourable conditions for overseas investment and harmonious trading relationships. The harsh realities of economic interdependence now firmly grip the Japanese economy.

Luckily, however, although the golden age of unrestricted economic development for Japan may be over, the predominant post-war concern of how to secure a standard of living comparable to the one enjoyed by industrially more advanced countries has also been substantially overcome. The nation running a long-distance race of catching-up since the Meiji Restoration in 1868 has at long last reached its national goal. Japan today is, in many respects, a satisfied nation, whose population aspires to a more quiet and substantial life-style and whose international interest lies with the maintenance of the status quo. This is a background which may be conducive to a greater degree of economic *kokusai kyocho*, a traditional Japanese catchword for international co-operation.

There are signs that the 'small-power mentality' is gradually giving way to the realization of international responsibility as an economic power. Various measures recently taken by the Government to stimulate the economy and promote imports were designed to live up to the expectations of a 'locomotive' country. Though they fell short of their objectives, the 5·3 per cent growth rate achieved in the fiscal year 1977 was the highest among the major industrial nations. One may question the adequacy of these measures but not their intent. There is a growing realization in Japan that its stake in the maintenance of free-trading principles is particularly high, though this has not brought the Japanese to accept greater responsibility in this maintenance than its trading partners. Having reached comparable levels of trade liberalization in terms of import restrictions or tariffs,[5] the questions facing the nation are whether,

[5] Japan's residual quantitative import restraints number 27 items, whereas the corresponding figures for France, West Germany, Britain and Italy are 74, 39, 25 and 20 respectively. In addition, discriminatory regulations against specific mer-

how fast, or to what extent it should accept contraction of certain economic sectors or shift priority from production to the social infrastructure. The political decision on these questions is very difficult to take, particularly at a time of economic depression. Furthermore, the economic means to effect required adjustments are more limited than before since public revenues are not expanding as they used to due to stagnant economic activities. Japan thus experiences difficulties comparable to those of other Western countries.

The yen and exports

The attitude of the Japanese Government towards the appreciation of the yen underwent a dramatic change in recent years: the Prime Minister, Mr Fukuda, now frequently refers to the positive effects of the yen appreciation on prices. This indicates that the Japanese have freed themselves from one of the obstinate inhibitions of the post-war period. However, a 30 per cent appreciation of the yen against the dollar in one year is unprecedented and disquieting, and effective alternatives are lacking. The concern is that further rises in value of the currency may frustrate the future efforts of the Government to reflate the economy.

On the export side, despite its adherence to free-trade principles, the Japanese Government and business circles concerned have in practice been co-operative in moderating exports of such goods as cause serious difficulties in markets abroad on a case-by-case basis. The necessity of avoiding disruptive exports is fully appreciated. Since mid-1972 a growing number of so-called 'voluntary export restraints' have been introduced to add to the long-continuing export restraints or import limitations of such light industrial products as textiles, pottery and chinaware, stainless steel tableware and so forth. The new series of such restraints now covers iron and steel products, automobiles and electrical appliances.[6] These unilateral restrictive measures have been taken as temporary measures to allow the affected industries of importing countries to adjust and recover competitiveness. But since such adjustments are intolerably painful at a time of economic depression, these temporary measures tend to stay—albeit to the disadvantage of consumers. Since the appreciation of the yen which is due greatly to a spectacular increase in the exports of these products is expected to make it more and more

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chandise imports from Japan total 30 in France, 6 in West Germany and 33 in Italy as of January 1976.

Comparison of tariff levels among countries is technically complicated. In 1973, Japan's weighted average effective tariff rate of industrial products was 8·8 per cent, the corresponding figure for the EEC was 9·0 per cent and for the US 8·9 per cent. The Japanese figure has been further lowered due to unilateral tariff reductions which took effect in March 1978.

[6] By 1976 an estimated 30–40 per cent of British imports from Japan were subject to voluntary restraints of one kind or another. See *Financial Times* special issue on Japan and Europe, 26 July 1977.

difficult for the other industrial sectors to maintain the levels of their exports, the pricing-out effect of a further revaluation of the yen will oblige the excessively successful sectors to accept more export restraint in one way or another.[7]

Imports and non-tariff barriers

As regards imports, although unusual efforts to send purchase missions abroad have been made, the main problem lies with the foreign exporters. In our daily life, particularly when market conditions are in favour of the buyers, the latter do not usually go a long way to buy goods: it is the sellers who try to reach the buyers. This pattern is even more marked in foreign trade between countries located far apart. The difficulty for foreign sellers to overcome the distance will be much greater, however, when buyers have preferences for domestic products for one reason or another. In Japan, poor natural resource endowment and the lack of industrial neighbours have historically encouraged domestic production and created an export-oriented mentality. While more strenuous efforts are needed on the part of foreign exporters to penetrate the Japanese market, the Japanese Government must also make efforts to change its export-oriented mentality. In this connexion, besides maximum possible reductions of tariffs and removals of non-tariff barriers, some Government gestures to dramatize the change in the role of imports to the people may be of use. The procurement policy of the Government and its agencies is of special significance. However, recent experience shows that artificial boosting of imports is beset with problems. More fundamental is the promotion of the realization in Japan that it is in the consumers' interest not to protect grossly uncompetitive domestic industries, especially in the agricultural sector. In this regard, the first step in the right direction will be to provide information on the extent and incidence of such protection. A greater degree of transparency on the matter will, in the long run, help create a more reasonable national consensus about the role of imports in Japanese economic life.

The Japanese system of distribution is often criticized for being so complex that foreign exporters are put at a disadvantage. It is true that the system is outmoded and in process of modernization and diversification in recent years. However, its discriminatory effects on imports are dubious,[8] for as the system is in a state of flux, there is room for foreign exporters to introduce new marketing methods or establish new distri-

[7] Following the continuous appreciation of the yen in early 1978, the Japanese Finance Minister, Mr Murayama, replied in a Diet interpellation on 17 March 1978 that, within the Government, efforts to peg export levels through administrative guidance by the Ministry of International Trade and Industry (MITI) are preferred to export surcharges or other statutory measures for export restriction.

[8] See James Abegglen, 'Why many fail in Japan?', *Far Eastern Economic Review*, 11 November 1977.

ution channels in Japan. At any rate, the system is a historical product f the Japanese society,[9] which is naturally different from Western ocieties and is part of the daily life of the Japanese people. In the final nalysis, the problem may be whether foreign exporters find the potential f the Japanese market attractive enough to make initial investments, ncluding a suitable distribution system for their products.

nternal economic disequilibria

Macro-economic management of the economy is a complicated task. s was mentioned earlier, the Japanese economy is in the agonizing eriod of transition from a high growth path to a lower growth one. In the rocess one thing has become clear: private plant and equipment investment, which used to be the motor of the fast-growing Japanese economy, as come almost to a standstill. In order to fill the wide gap thus left etween demand and supply at home, a great deal of Government expeniture is now required. The limitation of the revenue from bonds issues ithin 30 per cent of total budget is patently arbitrary, especially in view f the comparatively low level of tax burden in Japan.[10] Therefore, the overnment prepared an expansionary budget for the fiscal year 1978 to flate the economy, relying heavily on bonds beyond that limitation. But n the long run a substantial increase in Government expenditure is foreseen in order to redeem bonds and meet larger social welfare payments hich are inevitable as the average national age level goes up. This probbly is only possible through higher taxes in future years. Since a tax ncrease is politically unpopular, the future need for tax increases makes ne Government psychologically reluctant to reduce taxes presently to imulate demand as a short-term measure. It will remain a very serious roblem for Japan to balance the budget even if the economy successfully oft-lands on a slower growth path.

tructural changes of the economy

There is no denying that the most important long-term task for Japan the change of economic structure from one geared to manufacturing to ne that is more balanced with greater emphasis on the social and economic infrastructure. As a result of the past 30 years of rapid economic owth, a tremendous concentration of resources, both capital and

[9] Hideo Arakawa, 'The Japanese distribution system', a paper presented to a mposium held in London on 28 February 1978 under the joint auspices of the pan Information Centre, the Japan Trade Centre and the Japan Economic urnal, on 'Present and Future Economic and Trade Relations between the UK d Japan.'

[10] The ratios of total tax revenue (including social security) to GDP in 1975 ere 20·2 per cent for Japan, 36·8 per cent for the UK, 35·2 per cent for West ermany, 30·3 per cent for the US and 46·0 per cent for Sweden. The Japanese tio is the lowest among the OECD members. *Revenue statistics of OECD ember Countries, 1965–75* (Paris: OECD, 1977).

human, has taken place in the productive sector.[11] By 1976 Japan came to produce 7·8 million motor vehicles, 10·5 million colour TV sets and 107 million tons of crude steel; these figures were comparable to the corresponding figures for the US with a population twice as large as Japan's. When the world economy expanded smoothly, there were markets which demanded these products, with Japanese exports growing at the fastest rate among major trading nations. Now that the world economy is depressed, a number of industrial sectors in Japan are suffering from excess productive capacity. The capacity utilization ratio in Japan is the lowest among major industrial countries. Compared with over-equipped mills and factories, areas directly related to the daily life of the people, such as housing, sewerage, parks, schools and hospitals, are still underdeveloped.[12] The unbelievable concentration of economic and other activities in a narrow maritime belt on eastern Honshu between Tokyo and Osaka has created congestion, pollution and regional imbalance. The shift of priorities from productive, export-oriented sectors to welfare-related sectors as well as the restoration of regional balance are clearly needed. On a macro-economic level, the Japanese policy-makers can aim at a more home-oriented management of the economy with less dependence on exports, since the balance-of-payments consideration is no longer a constraining factor in economic management since 1968.[13] The shift is not only strongly desired by the people but also feasible. Although this requires painstaking efforts and is time-consuming, it may be safely said that there now exists in Japan the national consensus favouring such a course. Already more money is being spent in the budget on welfare-related programmes. At the moment, a Bill is before the Diet for consideration, the aim of which is to permit the firms in 'structurally depressed' sectors such as man-made fibres, aluminium smelting, shipbuilding and open-hearth and electric furnace steel mills to scrap excess capacity. Truncating of excess equipment may also be a favourable step in the direction of world-wide economic restructuring, permitting newly developing countries gradually to take over such non-competitive sectors. The process of industrial adjustment is by no means an easy one and its

[11] Hiroshi Kitamura, *Choices for the Japanese Economy* (London: The Royal Institute of International Affairs, 1976), pp. 14–16.

[12] Sir John Figgess, 'The outlook for Japan', *The World Today*, November 1971, p. 480.

[13] The dependence of the Japanese economy on imports has been steadily declining in the post-war years; the ratios of imports to GNP moved from 10·3 per cent for 1958–62 average, 9·58 per cent for 1963–67 average to 8·9 per cent for 1968–72 average. The declining trend was temporarily reversed by the rise of oil prices; the ratio jumped to 13·6 per cent in 1974 but has been declining again in later years. The trend of declining import dependence means that Japan has now comparatively less need to export to survive. The figures were calculated from GNP statistics in *Annual Report on National Income Statistics, 1976* (Tokyo: Economic Planning Agency) and from import statistics in *Japan Statistics Yearbook* for 1965, 1970 and 1975 (Tokyo: Prime Minister's Office).

success will be greatly dependent upon whether the external environment is favourable to Japan or not. But the successful management of past economic crises by the Japanese suggests that the Japanese economy still possesses the dynamism and flexibility to absorb the impact of these policy changes.

Reorientation of trade and monetary flow

In 1976 Japan ran a trade deficit amounting to $11·5 billion with the Middle Eastern countries, whereas Japan's neighbours in Asia, even including oil-producing countries like Indonesia and Malaysia, are badly in need of capital inflow. More generally, since oil money leaks into financial markets in the US and Europe without creating effective demand for goods and services in world trade, the leakage presently constitutes the missing link in the global recycling of export proceeds. This fundamental situation will remain unchanged if Japan shares part of the trade deficit vis-à-vis oil-exporting countries. Therefore, as a longer-term goal, Japan's future trade, aid and monetary policies should be formulated with a view to promoting the redistribution of international liquidity.

First, Japan could substantially expand its aid efforts to the developing countries. The need cannot be overemphasized. It is also highly desirable that aid should be untied. Through the transfer of financial resources additional demand for goods and services will be created. If Japan can absorb surplus oil dollars in one way or another[14] and, by channelling the absorbed dollars into aid or investment in developing countries, act, so to speak, as an intermediary between rich oil producers and non-oil producing developing countries, the disruptive effects of oil dollars will be greatly mitigated. At the moment, a further inflow of dollars may be anathema for the Japanese monetary authorities. But if a further rise in oil prices is to be averted, some measures to prevent the depreciation of asset value of the surpluses of oil-producing countries will have to be worked out. The surplus oil-producing countries must be induced to make long-term investments, but an unorthodox financial practice of borrowing short-term money and lending long-term money by some countries may be a stop-gap necessity. Moreover, only countries with strong economies can afford this. If this is possible for Japan, it may not, in the long run, even need a vast trade surplus to be able to provide sizeable long-term capital flows to the developing countries. In order to explore such possibilities, a more constructive dialogue is desirable, particularly among major surplus countries, namely Saudi Arabia, West Germany, Japan, the US as the key currency country, and possibly Britain with revenues from North Sea oil.

[14] See, for instance, K. Farmanfarmaian, et al., 'How can the world afford Opec oil?', *Foreign Affairs*, January 1975, pp. 215–22, for a concrete idea of a 'trust fund' by Opec countries as such a mechanism.

Second, Japan could mitigate the adverse effects of accumulating oil dollars by importing less Middle Eastern oil and more Asian or Siberian oil or gas. This, of course, will not alter the basic picture of Japanese dependence on Middle Eastern oil in magnitude.[15] Nevertheless, exploration for oil in Asia's continental shelves and the import of oil from China and natural gas from the USSR could be more vigorously pursued. Such a shift, if on a limited scale, will take a long time to happen, and requires a substantial amount of investment. Close financial and technical co-operation with the US and West European countries is necessary. One may hope that this will open up a new area of trilateral co-operation in the future.

Pursuit of a new international trade and monetary regime

Japan's role in the Tokyo Round of multilateral trade negotiations in Geneva will be one of upholding the free-trade principle. Despite frequent advocacy by some Western politicians and economists in favour of 'managed' trade, there is no denying that, short-term frictions notwithstanding, the maintenance of the free-trade principle is in everybody's long-term interest. If industrially advanced countries deny market access to products from the 'threshold countries', not only the economic development of these countries will be delayed but also serious political repercussions will ensue in North–South relations. The question of modifying the safeguard clause of the General Agreement on Tariffs and Trade (Gatt) needs particularly cautious handling. Here Japan's position is unique. On the one hand, it has been subjected to discriminatory treatment either by the, in Japanese eyes unwarranted, invocation of Article 35 of Gatt by a great number of Gatt Contracting Parties, or by quantitative restrictions against Japanese goods. It may again suffer from possible abuses of modified safeguard arrangements. At the same time, in view of the growing imports of manufactured goods from developing countries in recent years,[16] Japan, too, may in future need such a safeguard. The appreciation of the yen and the lowering of tariffs are bound to promote imports of low-wage products into Japan. With these prospects in mind, Japan may be able to make an important contribution towards working out a balanced conception of a safeguard.

With regard to the problem of the increasing recourse to legal action in the US for the purpose of limiting imports, such as anti-dumping or anti-trust procedures, Japan can collaborate with the EEC in correcting the present chaotic state of affairs in the US, where some exports are being placed under 'multiple jeopardy'[17] by these actions.

[15] The ratio of imports of crude oil from Asian sources in the total oil imports of Japan increased from 7·2 per cent in 1965 to 19·1 per cent in 1976.

[16] Imports of textile products from the developing countries increased from a few hundred million US dollars in the late 1960s to $1·7 billion in 1976.

[17] Harald Malmgren, 'Significance of trade policies in the world economic outlook', *The World Economy*, Vol. 1, pp. 23–5.

Finally, as one of the major trading nations, Japan is naturally interested in the stability of the world's monetary system, which is, in the final analysis, almost totally dependent on the health of the American currency, especially since August 1971. Besides, the weakening of the dollar always puts upward pressure on the yen. Japan is, therefore, deeply interested in the maintenance of the value of the US dollar. It is noteworthy in this respect that the major trade and currency difficulties between Japan and the US in recent years coincided with large-scale dollar drains from the US due to the Vietnam war in the early 1970s and currently to the substantial increase in US oil imports. Furthermore, downward movement of the dollar value, if unchecked, will sooner or later force oil exporters to raise the oil price. For the present, the maintenance of oil prices is absolutely necessary for the recovery of the world economy and it is in Japan's own interest as, among the major industrial nations, it is most dependent on imported oil for its primary energy requirements. In the long run, with its strong balance-of-payments position, Japan should throw its full weight behind the re-establishment of a healthy international monetary system. This is an area where Japan may be the least experienced and thus fears to tread; however, the presently lopsided monetary system cannot continue indefinitely and the restoration of sanity will be possible only through closer collaboration among the countries blessed with strong currencies.

Australia: another 23 years of Liberal rule?

DON AITKIN

AFTER the first Cabinet meeting of the newly elected Whitlam Labor Government in December 1972 a sympathetic senior civil servant remarked, 'They're as happy as a bunch of kids in a lolly-shop.' They had every reason to be. The Labor Party had broken the Liberal–Country Party hold on power in Canberra after 23 years, and its members knew that they had the policies and the leader to retain government in 1975—with any luck at all. These policies had been formed over the past five years in conjunction with experts inside and outside the party, and they represented the most considered response to Australia's social and economic problems for more than 20 years. The party's leader was Edward Gough Whitlam, the most accomplished Australian politician since R. G. Menzies, and he was then at the height of his power and reputation. Yet three years later the kids in the lolly-shop were sent about their business by the combined efforts of the Opposition, the Governor-General and the people, after the most tumultuous three years of politics since the depression. Two years later still, the coalition Government led by Malcolm Fraser won a second easy electoral victory, Mr Whitlam resigned the Labor leadership, and Australia looked set for another indefinitely long period of rule from the right. Is Australia really a conservative country, with Labor Governments a temporary aberration, as expatriates can be heard to say? Or are there more specific explanations? And how secure is the Fraser Government?

It can be said at once that Australia is not a notably conservative country, at least in terms of the support for political parties at elections. There have been 28 elections since 1910, the year in which the modern party system can be said to have begun. In these elections the Labor Party has received an average of 46 per cent, while its rivals in coalition, the Liberal and National Parties, have received an average of 47 per cent. Moreover, it does not much matter which period you consider: the two parties have run neck and neck for nearly 70 years. That the non-Labor coalition has been more successful in gaining power and keeping it flows from a number of quite separate causes. First, the preferential voting system gives it an edge in close contests, because the ALP has no natural ally; indepen-

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dent and minor party candidates are generally in the centre or to the right in politics, and their votes tend slightly to favour the non-Labor candidates if they are counted. Secondly the Labor Party has suffered three major splits in its history, in 1916, 1931 and 1955, and each has cost it a few years of office. Thirdly, like parties of the Left everywhere, it suffers from more uncertainty than its rivals about whether office is worth having under any circumstances. The Liberal and National Country Parties are, above all, organizations aimed at gaining and securing office; the most bruising antipathies and squabbles are solved magically if the parties sniff the heady aroma of power. But Labor maintains a Protestant conscience despite its large Catholic membership. There are some Labor MPs—and many more partisans in the party organization—who think power not worth having if it comes with strings attached. And they would point to the Whitlam Government as an awful object lesson.

Labor's weaknesses

There is something in their argument. The Whitlam Government lacked one crucial ingredient throughout its years in office. This was a majority in the Senate, the powerful second chamber in the Australian Parliament whose members are elected under proportional representation and for six-year terms. Half the Senate with which Mr Whitlam had to deal in 1972 had been elected in 1967, and the other half in 1970, and Labor had failed to win a majority of Senate seats on either occasion. In consequence the Opposition in the Senate was able to reject and emasculate legislation which the Government regarded as crucial to its programme. This possibility had been foreseen by the Prime Minister and his colleagues, as it had been Labor's experience also during its unhappy period in government between 1929 and 1931. On that occasion the Labor Government had refused to challenge the Senate by forcing a double-dissolution election, the procedure laid down in the Constitution for resolving deadlocks between the Houses. Mr Whitlam believed that in such situations a party had to 'crash through or crash', and throughout 1973 and the early months of 1974 the Labor Government prepared for what it saw as an inevitable showdown with the Senate.

When the election came, in May 1974, the Whitlam Government was lucky to hang on to power. It had won 49·6 per cent of the vote in 1972, and it saw that proportion slip to 49·3 per cent and its majority shrink from nine to five. In the Senate of 60 it now had 29 seats, a better representation than in 1972, but still not enough to guarantee the passage of legislation. In the next 18 months, moreover, the generally favourable conditions which it had enjoyed in 1973 evaporated. Not only did unemployment begin to rise troublingly in 1974, and inflation reach higher levels than had been known since the late 1940s, but the Government began to make serious political mistakes. The unity of the Government,

always an uncertain thing, began to decay. For the Labor Party, indeed, 1975 was an *annus horribilis*, and well before the 'loans scandal'[1] which was ultimately to destroy it, some senior Ministers and their staff were prepared to concede privately that the Whitlam Government would not survive another election, whenever it was held.

The events of November 1975[2] which resulted in the replacement of the Whitlam Government by a caretaker administration led by the Leader of the Opposition, Malcolm Fraser, and in a December election in which the Fraser administration was overwhelmingly confirmed in office, have produced a publishing industry that is still prosperous two and a half years later. And the mass of Labor supporters are still indignant and resentful.

Yet Labor's defeat was not the worst it has known. In recent times that of 1966, when Labor mistook the mood of the Australian electorate over Vietnam, was substantially worse: in 1966 Labor received only 40 per cent of the vote, in 1975 43 per cent. In fact Labor has won about 43 per cent on half a dozen occasions in the past. If 1975 had a message for the party it was that Labor was down but not out; in particular the result of the election could be interpreted as a vote against the misdeeds of the Labor Government rather than as an affirmation of the policy positions taken by the former Opposition.

It was this which encouraged some within the ALP, notably the Leader, Mr Whitlam, to argue that the party could quickly recover and regain power in 1978. The margin to victory was, after all, only 7 per cent, and the party had managed to close a similar gap between 1966 and 1969 when Mr Whitlam had first been elected Leader of the Opposition. Those of that opinion felt also that the Fraser Government would be trapped by the same economic circumstances which had brought Labor down. Indeed, after a year of the new Government, unemployment and inflation were both worse than had been the case at the end of Labor's term.

Yet the opinion polls did not point to a Labor recovery. Throughout 1976 and 1977 Labor's stocks remained relatively low and steady. Something had happened to the fabled 'hip-pocket nerve' of the Australian

[1] In 1975 it became known that senior Ministers had agreed that the Government should endeavour to borrow $4,000 m. outside the normal international money market, from Arab sources: the funds were to be used for national development purposes. No money was in fact borrowed in this unconventional way, but the story was most damaging politically, partly because one of the Ministers involved was forced to resign, and partly because such a loan may have been *ultra vires* (Loan Council approval, which was not sought, is necessary for all loans other than those for temporary purposes).

[2] In October 1975 the Senate declined to pass supply bills, in an attempt to force a general election. Mr Whitlam refused to resign, on the ground that he still possessed a majority in the House of Representatives. The deadlock was broken by the Governor-General, Sir John Kerr, who dismissed the Whitlam Government on 11 November (because of its inability to secure supply) and invited Mr Fraser to form a caretaker government pending the outcome of elections.

voter, which had in the past twitched against governments that had dared to allow 2 per cent unemployment, let alone the 5–6 per cent that was becoming commonplace in the late 1970s. If you were to explain electoral movements in terms of economic trends, as many did and still do, you would have expected an early end to the Fraser Government. It did not manage to improve things for its supporters, while it offended its opponents by partly dismantling Medibank, the Labor national health scheme, and reducing government expenditures in a number of areas dear to Labor supporters.

Part at least of the explanation lay in the personality of the Prime Minister himself and his unchallenged position within the Government. Malcolm Fraser has a dour style, one suited to times of trouble. (Gough Whitlam, by contrast, has the opposite: an ebullient style which lends itself to times of confident expansion.) It is true of course that Conservative parties in government find it easier to handle economic downturns and the like than do their opponents, for the rhetoric of sacrifice for the national interest fits their language more than it does that of reformist parties. Mr Fraser is moreover a tough, experienced and intelligent politician. He may have gambled on the fact that the last year of Labor's period in office was so sharp in the mind of the electorate that he was in no great danger. But there is little doubt that he believed that Labor in power had been negligently extravagant and that his Government was obliged to retrench; accordingly he did not deviate from that path, and did not apologize for it. If all that meant that the level of unemployment remained high, he was quick with the reply that Labor's policies had pushed unemployment up in the first place: the electorate would just have to accommodate itself to high unemployment until his Government could get the economy moving again.

A new centre party

Since he had brought his party out of Opposition into Government, his Liberals and their National Country Party allies would forgive him anything, for the time being, anyway. But as his second year in office was well under way, cracks and strains began to show through. The Liberal Party, like all mass parties, is a *coalition of forces and tendencies*. It has an urban wing and a rural wing, a liberal tradition and a conservative tradition. Mr Fraser is very much a rural conservative, and this puts him at the opposite end of the party from a large and important group of urban liberals whose best-known representative is the present Minister of Foreign Affairs, Andrew Peacock. There was small room in Fraser's government of sobriety and stability for 'trendy' liberals, and an early casualty was Don Chipp, a successful reforming Minister for Customs in the late 1960s who had modernized Australia's film censorship system. Chipp was not included in the Fraser Ministry after the December 1975

election, and after a restless 15 months on the back benches he resigned from the Liberal Party in March 1977 to form a new centre party, the Australian Democrats Party.

Chipp is an articulate, likeable man, one of the few Liberals in recent years to cope successfully with university audiences. His resignation seemed to symbolize a standing unhappiness with Australian politics (which could be summarized as 'the Government is unpopular, but the Opposition is impossible'), and from the beginning the Australian Democrats, or 'Chippocrats' as they were quickly tagged, attracted steady support. By July Chipp reported a membership of 7,000 and a growing structure of branches and electorate organizations. The new party absorbed two existing splinter groups, the Liberal Movement and the Australia Party, both former breakaway factions from the Liberal Party, and performed creditably in State elections held in September and October in South Australia and Queensland, and in a by-election in Victoria. These electoral tests encouraged the Democrats to believe that they could win at least 10 per cent of the vote nationally and decide the outcome of the next election.

The Democrats' success may have pushed Mr Fraser into an early election, but in fact he had prepared the ground much earlier: the 1977/78 budget, which proposed substantial cuts in personal taxation, certainly seemed to have been drafted with an election in mind, while the possibility of a confrontation over the uranium issue, in which public sympathies seemed likely to favour the Government, made late 1977 an appealing time for a poll. Furthermore, the plain fact was that the Government had not yet restored the economy to anything like its pre-Labor level, and each succeeding year of failure would raise more doubts about the Fraser Government's capacity to do it. Finally, the Government believed with some reason that an Opposition led by Mr Whitlam was an easier opponent than an Opposition led by almost anyone else. Although the Labor Leader had been re-elected in May 1977, it was clear both that the Labor Party would remove him as soon as it had an acceptable substitute and that it would wish to do this well before the scheduled elections in late 1978. In any event Mr Fraser announced late in October that an election would be held in December for the House of Representatives and half the Senate. The early election, he said, was important in order to bring the House and Senate elections together again. If that excuse had not been available the Prime Minister would no doubt have found another even less cogent reason.

The December 1977 election

It was a curious election which no one really wanted, a pre-emptive strike on the part of the Government. There were many in the Government parties (especially those in marginal seats) who thought that

another year in office would have been infinitely preferable—and much safer too. The Opposition was not ready and was still in debt from 1975. The Democrats knew that they would be stronger in a year's time. The electorate was most disenchanted of all. The campaign was accordingly dull and dispirited: uranium was a fizzer, and the real interest lay not in the charges and counter-charges about who was responsible for the economic mess but in how many votes the Democrats would get, and what would happen to their preferences. The new party avoided giving an official lead, and the Democrats' how-to-vote card (each party issues such a card for each constituency in order to help the faithful complete the ballot paper in the manner preferred by the party) gave Labor second preference on one side and the Government second preference on the other.

Despite a flurry in one of the opinion polls during the campaign which suggested that Labor might scrape home, virtually all commentators predicted that the Fraser Government would be returned with a substantially reduced majority—an unsurprising assessment given that the Government parties had a huge proportion of all the seats in their grasp. We were, however, all wrong, and the Fraser Government was returned with only a trivial loss in seats. The following table provides a summary.

Votes (%)	ALP	LIB	NCP	DEM	Other	Total
1975	43	42	11	—	4	100%
1977	40	38	10	9	3	100%
Seats						
1975	36	68	23	—	—	127
1977	38	67	19	—	—	124

(A High Court decision during the last Parliament resulted in the reduction in size of the House of Representatives from 127 to 124 seats.)

The Democrats had done as well as they could reasonably have expected, if not as well as they had hoped. Their votes came from across the whole spectrum of party politics, a little more freely from coalition seats than from Labor seats, and from the city than from the country. When Democratic preferences were distributed they went a little more frequently to the Government than to the Opposition. In short, the electoral effect of the establishment of the Australian Democrats Party was virtually nil. The Democrats were more successful in the Senate, where proportional representation gives small parties some reward for their labours. Mr Chipp was elected as a Senator from Victoria, and a colleague finally won the fifth seat at stake in New South Wales. But they won their places at the expense, not of the Government, but of Labor and an Independent Senator.

For those in the Australian Labor Party the election result was a disaster. Few had expected their party to win, but they had counted on a

decent recovery of seats lost in 1975. Instead the Government had kept its overwhelming majority—the Liberals still had the numbers in the House to govern in their own right, and were short of one seat only in the Senate. Mr Whitlam resigned as Leader of the Labor Party during the counting of votes, and the party set up a large and expert committee to tell it whether or not it was doing the right things. In place of Mr Whitlam the parliamentarians elected Bill Hayden, the former Deputy Leader and the last of Mr Whitlam's three Treasurers during the Labor Government.

Mr Fraser made a few changes to his Ministry but otherwise carried on as though the election had been a minor distraction from the heavy task of bringing Australia back to prosperity. His style is, if anything, even more aloof and mournful, and he is still very much the man at the helm. Notwithstanding the fact that the last three Parliaments have failed to run their course, there is little reason to expect another election until 1980, and in the interim there is no reason to expect that the Government will lose its comfortable majorities in either the House of Representatives or the Senate, or that Mr Fraser will be challenged successfully (or at all) for the leadership of his party and of the Government. Any betting man would plump for a further non-Labor victory in 1980.

Three variables

Yet he would be wise not to bet too heavily. The Australian electorate is rather more volatile than it used to be and the Government no longer enjoys an absolute majority in votes. Three variables seem pre-eminently important. The first is the state of the economy. It is hard to find anyone now who sees a quick return to the golden days of the late 1960s; like the rest of the Western world, Australia seems set for a long period of only modest economic growth, and the end of high unemployment seems indefinitely far off. It is possible that the electorate will continue to accept such a state of affairs without wishing to lay political responsibility for it somewhere; on the whole, however, it is more likely that a continuation of the present economic order will be accompanied by increasing criticism of the Government. The second important variable is the future of the Australian Democrats. New parties have rarely managed to survive in established party systems, mostly because the allegiance of the mass of the electorate is already given; in consequence the new party fails to attract more than the small proportion of uncommitted, and therefore fails to benefit from the inheritance of party loyalty which is the single most important reason why the established parties survive. It is possible that the Democrats will prove the exception to the rule, but my own view is that their 1977 performance will be their most impressive showing and that the next few years will see a diminution in their electoral following and their political importance.

The third important variable is the Australian Labor Party. The ALP

has proved itself to be a most resilient party, and it has maintained its core support even in these worst of all times. With a new Leader, some new problems for the political system, and the slow fading in public memory of Labor's last calamitous year in office, it is likely that the party will begin to revive itself, and to seem once again a credible alternative government. Of course, it is possible that the future holds a new split in store, especially as the parliamentary leadership is well to the right, in terms of the Labor Movement as a whole. But my own view is that Mr Hayden and his colleagues will manage to avoid this most depressing of fates and that in 1980 the Opposition will give the Fraser Government a decent run for its money. Those who think it cannot be done should consider that Australian politics has produced surprises before. One example probably not to the taste of the Prime Minister is the fate of the Bruce–Page coalition Government in the late 1920s: it won an election comfortably in 1928, decided to call a snap election over an industrial issue in less than 12 months later, and was soundly beaten. And the Prime Minister lost his seat, the only Australian Prime Minister ever to do so.

The uranium debate in Australia

KEITH D. SUTER

Australian policies on the divisive uranium issue have suffered from a lack of clear direction, and the Government's new policy on safeguards is inadequate.

On 25 August 1977, the conservative Liberal–Country Party (LCP) Government announced that Australia would mine and export uranium.[1] This decision was one of the few unequivocal decisions ever made on uranium matters by an Australian Government. Previous government decisions had tended to reduce or preclude Australian involvement in nuclear matters, peaceful or military.

Uranium was first located in Australia in 1894 but little was done about it for about half a century, when British and American defence requirements encouraged Australian prospecting. The first major discovery

[1] For this announcement and other items explaining the Government's policy towards uranium, see *Uranium—Australia's Decision* (Canberra: Australian Government Publishing Service, August 1977).

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came in 1949 at Rum Jungle in the Northern Territory and this mine continued in operation until 1963. There were other mines but they, too, eventually ceased operations because of the world-wide oversupply of uranium in the late 1950s and early 1960s.

During the 1950s, when Australia supplied uranium for British needs, a total of 12 British nuclear tests took place on its soil. These were stopped partly because of the risks to health. Both the early mining at Rum Jungle and the British tests resulted in illnesses, though no recorded fatalities, and this helps explain why there has been so much public concern over the proposed uranium mining, especially among the usually least politically active segment of the community, young mothers.

In 1953, the LCP Government created the Australian Atomic Energy Commission (AAEC) to encourage uranium mining, to supervise that mining and to sell or otherwise dispose of uranium. The AAEA has also suffered from the vagaries of governmental indecision. It has an annual budget of A$23 million and employs about 1,300 staff. In terms of public expenditure, nuclear research receives far more financial attention than any other form of energy research. But there has not been much to show for this work. This is not so much the AAEC's fault as that of successive Governments which have failed to provide it with specific jobs. On the one hand, each Government has decided not to build nuclear weapons.[2] For many years, the policy was not so much a specific rejection as a tantalizing deferment of the decision which encouraged some scientists to believe that eventually they would be commissioned to do this work. On the other hand, Australia continues to have no need for its own peaceful nuclear programme. There are uncertainties about the full extent of Australia's natural resources but it appears to have, for example, 300 years' supply of coal at the current rate of consumption and its oil supply will last well into the 1980s. Australia may eventually be able to avoid going nuclear by making greater use of solar energy.

The election of the Australian Labor Party (ALP) Government in December 1972 (after 23 years in opposition) resulted in some changes to Australia's nuclear policy (or non-policy). The proposed visits by nuclear-powered American warships had been the cause of wide concern and even the very pro-American LCP Government had felt obliged to ban, in 1971, all such visits. The ALP Government continued that ban. It also took a strong line on the French nuclear tests in the Pacific and went as far as to refer the dispute to the International Court of Justice.[3]

The ALP Government pursued an equally firm policy on the Nuclear Non-Proliferation Treaty (NPT). When the NPT was opened for signa-

[2] The possibility of an Australian nuclear deterrent has been thoroughly discussed in Ian Bellany, *Australia in the Nuclear Age: national defence and national development* (Sydney: Sydney University Press, 1972).

[3] See Rosalyn Higgins, 'French tests and the International Court', *The World Today*, July 1973.

ture in 1968, the LCP Government was reluctant to sign it and hinted that it would prefer not to do so since it would close its option for acquiring nuclear weapons.[4] In 1970, it did sign it but refused to ratify it. One of the first acts of the ALP Government in January 1973 was to ratify the NPT,[5] and the present LCP Government, which was elected in December 1975, has abided by that decision.

Ironically, the current 'nuclear debate' has not focused on uranium's military uses but on its peaceful uses. In the last weeks of the old LCP Government, it hastily approved a series of uranium sales contracts committing Australia to supply uranium, mainly to Japanese electricity generating utilities, between 1974 and 1986.[6] The ALP Government agreed that these should be honoured, but refused to approve any new contracts: a boom was developing in the uranium industry and it did not want to be rushed into approving deals under which Australia would get less than an optimum return. With 'economic nationalism' becoming fashionable, the Government not only wanted time to develop a policy on resources but also wanted to insure maximum possible Australian control over its export projects. Consequently, there was agreement among the usually fragmented ALP over the need to leave the uranium in the ground, since the anti-uranium group was joined by the pro-uranium group, which believed that the uranium should not be mined until the price matured. This policy vacuum coincided with growing public unease, both in Australia and overseas, about all forms of uranium usage. During the latter part of the tenure of the ALP Government, there began a movement for the moratorium on the mining of uranium, which has since become one of the biggest, if poorly co-ordinated, mass movements in Australia.

The Ranger Commission

In a separate move, the ALP Government introduced a piece of radical legislation, the 1974 Environment Protection (Impact of Proposals) Act. The first enquiry set up under this legislation was the Ranger Uranium Environmental Inquiry, created in April 1975. The Commission was asked to look into the environmental aspects of a number of matters affecting the development by the AAEC, in association with the Ranger Uranium Mines company, of uranium deposits in the Northern Territory. The ALP Government, already beset by divisions over uranium, used this tactic as a way of defusing the issue since the Government refused to make any decision on uranium until the Commission had reported.

[4] Ian Bellany, *op. cit.*, pp. 105–11.

[5] See George Quester, *The Politics of Nuclear Proliferation* (London: The Johns Hopkins University Press, 1973), pp. 159–66.

[6] See 'Current Australian uranium sales contracts', *Senate Debates*, 6 December 1976, p. 2661.

The Commission began its public hearings in September 1975. It sat for 121 days and took evidence from 303 witnesses, the transcript of the evidence covering 13,525 pages. The Commission's work cost about A$830,000: it was not only one of the most thorough enquiries into uranium mining in the world but also one of the most thorough on any environmental issue. Most witnesses (including this author) believe that the Commission gave them a fair hearing.

The Commission's two Reports[7] reflected a genuine indecision on its part as to whether the mining should go ahead. Its powers were only advisory but the significance accorded to the Commission was such that it would have been politically unwise for any Australian Government directly to ignore its recommendations. Instead, the present LCP Government (which also continued the ALP's moratorium on new contracts) has claimed that its decision of August 1977 was broadly in keeping with the Commission's recommendations. The validity of that claim cannot be fully examined in this article—though another section looks specifically at one of the Commission's main worries, the threat of proliferation. However, before examining the risk of proliferation it is necessary to look at the underlying assumption that the uranium will, in fact, be mined eventually. For this is now by no means guaranteed.

The ALP has moved increasingly to outright opposition to uranium mining until certain problems have been resolved, especially those relating to the threat of proliferation. When the Government announced its decision last August, the ALP Opposition declared that a future Labor Government would not honour any new contracts. It is worth emphasizing that uranium mining is a long-term matter. It will take four to five years from the start of a mining project for uranium to be exported and some years after that before any contract can be fully completed. The ALP could be back in office (especially if the economy continues its present decline) by 1980.

Meanwhile, it would appear that the demand for uranium is also declining. The Ranger Commission presented a far from optimistic picture of the future uranium market.[8] It is also possible that potential consumers are overestimating their real need so as to create a buyer's market which would bring down the price once the uranium had been mined and encourage a price-cutting war. This is a supposition not fully covered by the Commission but one worth noting as an antidote to the optimistic claims made by the uranium producers.

Australia has, therefore, been in a paradoxical situation since the Second World War. On the one hand, it is one of the major sources of uranium, with about one-fifth of the total non-Communist world's

[7] *Ranger Uranium Environmental Inquiry: First Report* (1976); *Second Report* (1977), Canberra, Australian Government Publishing Service.
[8] *ibid.*, *First Report*, pp. 54–6.

supply; and it is politically more stable than South Africa which is a close rival for the third position (the United States and Canada holding the first two places), with much of its uranium found in the world's richest uranium location. On the other hand, Australia has never had a clear policy as to what should be done about its uranium; it is possible that, despite the recent decision, its uranium may not be mined. A major cause of opposition to that mining is the threat of nuclear-weapon proliferation. This threat has galvanized the ALP and trades unions into joining middle-class conservationist groups to present a significant deterrent for foreign investment in the mining; even if the uranium is mined, the labour movement may still prevent its leaving Australia.

Australia's only functioning mine is a poor omen. Mary Kathleen Uranium Limited owns a mine in Queensland. It has been a financial disaster for its backers and in the first half of 1977 it lost A$8·38 million; it has failed to provide all the uranium required by its contracts.[9] The labour movement has hindered its work so that its contractual obligations are being met by borrowing uranium from the UK Atomic Energy Authority (UKAEA), on the understanding that once all its supplies are allowed to be moved these will go to the UKAEA. Even so, the company will still fail to provide all that it should, and it remains to be seen just how Australia will make up for the uranium owed to the UKAEA.

The threat of proliferation

The problem of proliferation was one of the Commission's main focal points because so many witnesses (including this author) had devoted their evidence to it. Throughout its Reports, the Commission implicitly recognized that, whatever private doubts two of the three Commissioners may have had about the mining of uranium, it knew that it was providing an advisory opinion to a Government which had, in effect, already decided to export uranium but was obliged to receive the Commission's Reports before acting. Consequently, the Commission developed a fall-back position not so much of recommending against the mining and exporting of uranium (since such recommendations would be ignored) as of providing a detailed web of recommendations governing how these should be conducted.

The Commission's examination of the threat of proliferation is a good illustration of this. It was a rigorous examination of the NPT's various defects, concluding that:

> The Commission recognizes that these defects, taken together, are so serious that existing safeguards may provide only an illusion of protection.[10]

[9] *Sydney Morning Herald*, 23 August 1977.
[10] Ranger Inquiry, *First Report*, p. 147.

That strong conclusion was tempered by the realization that the Government would export anyway, and so was followed by:

> However we do not conclude that they render valueless the concept of international safeguards. We believe that it is both essential and possible to make safeguards arrangements more effective.[11]

But the Commission had few ideas on how this could be done. Indeed, its original analysis was so damning that the reader is left wondering how one sentence can logically follow the other.

What the Commission achieved in a sophisticated way was to provide opponents of uranium mining with considerable information which would form the basis of criteria of what are effective safeguards. It did not find much that is new in the NPT's limitations, but merely brought these together in one place.

The Government quickly realized the seriousness of the Commission's analysis and has tried particularly hard to reassure the public. Its policy on safeguards is as thorough as could be hoped for. Its problem is not that it lacks political will, but that it is trying to devise safeguards which the Commission evidently believes cannot be achieved given the present world order.

The policy is composed of three elements. The first is its reliance on the Nuclear Non-Proliferation Treaty. The Government fully accepts the limitations placed by the NPT on uranium sales; indeed, it believes that it will strengthen the NPT regime since it would provide an incentive for non-signatories to accept it as this would make them eligible to receive uranium. However, the NPT does not effectively prevent a country from receiving uranium and then diverting it to use for nuclear weapons.[12] This would be illegal but there are no sanctions within the NPT to enforce this prohibition. Similarly, a country may stockpile Australian uranium and then, under Article X(1), it may withdraw from the NPT after giving three months' notice. The Treaty contains no provision on how the United Nations or NPT countries should respond to this. Moreover, the NPT is not a fixed fact of international life. The 1975 Review Conference of the NPT[13] did not result in any move to strengthen it. It remains to be seen just how long it will survive.

The second element is the IAEA safeguards. The International Atomic Energy Agency contains a paradox in that it is both designed to encourage the international expansion of nuclear power generation and yet simultaneously to limit that expansion so that it does not give rise to nuclear-weapon proliferation. The IAEA, moreover, is expected to

[11] Ranger Inquiry, *First Report*, p. 147.

[12] See Ian Smart, 'Janus: the nuclear god', *The World Today*, April 1978.

[13] See Keith D. Suter, 'The 1975 Review Conference of the Nuclear Non-Proliferation Treaty', *Australian Outlook*, August 1976, pp. 322–40; also Ian Smart, 'Reviewing non-proliferation', *The World Today*, June 1975.

inspect peaceful uses of nuclear energy to prevent its diversion to military purposes; it does not inspect the military uses to start with. Its small staff cannot be expected to examine thoroughly all peaceful establishments, especially given the comparatively small amount of uranium which is required for nuclear weapons and whose diversion would not necessarily be noticed by IAEA inspectors. The IAEA has no automatic right to make an inspection of nuclear plants it is suspicious about. Indeed, even if it did find something illegal it could only publicize its findings; it has no police powers to punish wrong-doers.

The third element will be the creation of bilateral agreements between Australia and its customers. These would impose stricter limitations than currently exist under the NPT and IAEA: for example, prior Australian consent will be required for the enrichment of Australian uranium beyond 20 per cent U235 and for the reprocessing of spent fuel derived from Australian uranium. These and the other proposed provisions (if the customers accept them in the first place) are based on two errors. First, Australia has no way of controlling its uranium once it leaves Australia. It can stop further supplies from going to a wrong-doer, but it can do nothing about the original uranium which is misused. Australia's potential customers, notably Japan and Iran, are economically as strong if not stronger than Australia, so that Australian economic sanctions against the wrong-doer would have little effect. Second, since countries tend to be extremely secretive about all matters relating to nuclear energy, both peaceful and military, it is futile to try to pretend that Australia would know—even if it could identify its own uranium from among the other imported amounts—how it was being used. Like the IAEA, Australia has no power to make surprise inspections of dubious installations.

Thus the proposed safeguards, though as strict as could be devised by a government, are not in themselves sufficient to prevent the diversion of Australian uranium to military purposes. The best way to prevent that diversion would be to refuse to export the uranium. Australia is not without some influence in this regard since, although it holds about 20 per cent of the Western world's supply of uranium, its uranium is not as committed as much of the other supply is. In other words, whereas uranium from other sources is already pledged to specific governments and uses, Australia's supply is still on the market in terms of being available for potential consumers.

Demand for uranium is, if anything, decreasing. An Australian decision to prohibit the export of its uranium would increase the price of what little uranium is still uncommitted. This price increase would further deter the expansion of peaceful nuclear programmes. Therefore, if a government were to buy uranium, it would have to do so on the specific understanding that it wanted it for military purposes, since it would

probably not have enough of a peaceful energy programme to justify the subterfuge of acquiring uranium for that programme, while really wanting it for military purposes.

In conclusion, here are four observations of a general nature relating to the problem of proliferation. An implication of the Australian safeguards policy is that the Government will acquire the status of assessor of alleged peaceful purposes of potential customers. The Government has said that it will only export uranium (leaving aside the United States, Britain and the Soviet Union whose status is unclear in its policy) to nations which will use the uranium for peaceful purposes. If the Government were to refuse to sell the uranium to a country it was suspicious about, it would display its doubts about the peaceful intentions of that country. Such a slur, especially if the country were of some significance (like Japan or Iran), would cause diplomatic estrangement, if not economic retaliation. It would also cause problems for any other uranium-exporting country which felt tempted to sell its uranium to that suspicious country.

Second, some advocates of uranium exporting have claimed that Australia has an obligation under Article IV of the NPT to export uranium since that Article provides for the peaceful development of nuclear energy. However, the overall intention of the NPT is to stop the proliferation of nuclear weapons and that obligation has to be viewed within the larger context of the NPT's aims. In other words, Australia is not obliged to act under one provision so as to undermine the treaty as a whole. The Ranger Inquiry has shown how difficult it will be to devise adequate safeguards; that being the case, Article IV's obligation does not bind Australia to export its uranium, no matter how allegedly peaceful the customer may be.

Third, the May 1974 nuclear explosion by India had a great political impact at that time. But governments have now recovered from that trauma, indicating their capacity to forget 'final lessons'. Any hope that the explosion may have triggered an international attempt to stop proliferation was dashed by the failure of the 1975 NPT Review Conference to adopt any measure to stop proliferation. A second 'lesson' was that the poor countries are rich enough to acquire nuclear devices if they are given the opportunity to do so. A third 'lesson' was described by the Ranger Inquiry:

> What is a real possibility is that a number of countries, not being acknowledged nuclear powers, will make a small number of atom bombs, or explosive nuclear devices. They might acquire them by purchase, or theft, or by establishing nuclear facilities for the single purpose of making bombs, but these are in general unlikely methods. The more likely course is through a civil nuclear energy program.[14]

[14] Ranger Inquiry, *First Report*, pp. 166–7.

In short, the best way to avoid proliferation is not to export uranium even for peaceful purposes. There is little to be gained by hoping that additional nuclear explosions will force governments to their senses. The Australian Government should act deliberately to do what little it can to prevent proliferation by not exporting its uranium.

Finally, there is the alleged threat that if Australia did not export its uranium, then some country would invade it to acquire it. One reply to this anxiety is that any country which would be violent enough to invade Australia to get the uranium would probably be violent enough to misuse any uranium that Australia sold it in the first place. Moreover, uranium-theft is different from robbing banks. An invading country would need to create its own mining arrangements and, irrespective of its efficiency, these would take some years to come to fruition—sufficient time in which to mount guerrilla-type operations to dislodge the invaders. Moreover, a complete ban on mining would be an additional discouragement to a potential invader simply because of the amount of effort which would be required to do the mining. By contrast, a thriving mining industry would be easier to take over and use for the invader's purposes.

To sum up, the implications of Australia's decision on uranium mining for nuclear-weapon proliferation are contributing to the growing opposition within Australia to the export of uranium. It is likely, therefore, that a coalition of the ALP, trades unions and conservationists will prevent the implementation of the Government's decision of 25 August 1977.

The Sea-Bed Treaty reviewed

RAIMO VÄYRYNEN

THE first Review Conference of the Parties to the 1972 Treaty on the Prohibition of the Emplacement of Nuclear Weapons and Other Weapons of Mass Destruction on the Sea-Bed and the Ocean Floor and in the Subsoil Thereof was held in Geneva from 20 June to 1 July 1977. The Sea-Bed Treaty (SBT), which entered into force on 18 May 1972, is an example of a wider genre of non-armament treaties which have banned or restricted the arms race in areas in which it has not existed before or has barely started. Other similar treaties include the Antarctic Treaty of 1959, the Outer Space Treaty of 1967 and the Environment Modification Treaty (Enmod) which was opened for signature in December 1976. The Sea-Bed Treaty has now been ratified by 65 states and signed by 36 more; both China and France have opted for staying outside this convention.

Article VII of the SBT stipulates that

> Five years after the entry into force of this Treaty, a conference of Parties to the Treaty shall be held at Geneva, Switzerland, in order to review the operation of this Treaty with a view to assuring that the purposes of the preamble and the provisions of the Treaty are being realized. Such review shall take into account any relevant technological developments. The review conference shall determine, in accordance with the views of a majority of those Parties attending, whether and when an additional review conference shall be convened.

The SBT thus reinforces the tendency to make a review mechanism a permanent feature of arms-control agreements. This practice was initiated by the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), whose first review conference was held in May 1975[1] and whose next one is planned for 1980; it was continued, besides the SBT, by the Convention on Biological Weapons, which will also be reviewed in 1980, and by the Environment Modification Treaty for which a somewhat more flexible procedure concerning the timing of the review was adopted. In the world of rapid technological change, the review mechanism is a useful way of ensuring the continued credibility of agreements. It is particularly

[1] See Ian Smart, 'Reviewing non-proliferation', *The World Today*, June 1975.

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useful for small and developing powers which may have difficulties in following all developments relevant to various agreements.

Main contents of the SBT

In the preamble of the Treaty it is stated that there is a common interest in the use of the sea-bed and ocean floor for peaceful purposes and that the prevention of a nuclear arms race on the sea-bed serves the interests of world peace and friendly relations among states. A conviction is also expressed that the SBT not only constitutes a step towards the exclusion of the sea-bed from the arms race but also contributes to general and complete disarmament (GCD). Article I defines the purpose of the Treaty in the following manner:

> The States Parties to this Treaty undertake not to emplant or emplace on the sea-bed and the ocean floor and in the subsoil thereof beyond the outer limit of a sea-bed zone, as defined in Article II, any nuclear weapons or any other types of weapons of mass destruction as well as structures, launching installations or any other facilities specifically designed for storing, testing or using such weapons.

Article II then defines the zone, mentioned in Article I, as being coterminous with the 12-mile limit of the zone referred to in the 1958 Geneva Convention.

Article III on verification procedures is fairly complicated, partly as a consequence of the general problems of inspecting violations of arms-control treaties and partly due to the additions made in the negotiation phase. At first, this article establishes the right of Parties to the Treaty to verify through observation activities of other Parties beyond the 12-mile zone provided that this observation does not interfere with such activities. If doubts concerning the fulfilment of the Treaty emerge, the relevant Parties will 'consult with a view to removing the doubts'. If the doubts persist, the state which has initiated the procedure shall notify other Parties which may then co-operate in inspecting the objects, installations, etc. specified in Article I. If this consultation and co-operation have not removed the doubts, a Party may 'refer the matter to the Security Council, which may take action in accordance with the Charter'. Demands by developing countries concerning the establishment of an international verification mechanism were partly satisfied by the provision that the inspection can be carried out also with the assistance of other Parties of the SBT, or 'through appropriate international procedures within the framework of the United Nations and in accordance with its Charter'.

Article V states that 'The Parties to this Treaty undertake to continue negotiations in good faith concerning further measures in the field of disarmament for the prevention of an arms race on the sea-bed, the ocean-floor and the subsoil thereof'. This article bears some resemblance to

Article VI of the Nuclear Non-Proliferation Treaty, although there is a difference in that the SBT provision is a specific one focusing on the prevention of an arms race on the sea-bed, while the NPT provision speaks of further negotiations to advance nuclear disarmament in general.

After the conclusion of the Sea-Bed Treaty, some observers belittled its importance, arguing, for instance, that it 'amounts to the banning of something which does not exist and which, even in the absence of the treaty, was not likely to develop. Indeed the treaty is not likely to limit the military uses of the ocean floor, even less of the deep ocean.'[2] Comments of this kind, although partially valid, are too negative. Indeed, there is convincing evidence that during the 1960s plans were drafted for the use not only of conventional but also of nuclear weapons from the sea-bed.[3] Seen from that perspective, the Sea-Bed Treaty prevented a development which might otherwise have occurred. In other words, partial arms control agreements have a certain value by at least narrowing the geographical or functional scope of the arms race.

It is, however, self-evident that partial agreements are no alternative to more comprehensive treaties reducing existing weapon arsenals. In the case of the SBT, the ultimate goal must be the exclusion of all weapons from the sea-bed. There is little evidence, if prevailing political constraints are taken into account, that the conclusion of the SBT impeded advances in further steps towards the prevention of an arms race on the sea-bed, though it has not expedited them in any conspicuous manner.

The review at Geneva

The SBT Review Conference showed that there was near-unanimous satisfaction with the fulfilment of the provisions of Article I of the SBT. This satisfaction was expressed not only by major nuclear powers but also by smaller countries, aligned as well as non-aligned. Many statements referred to the fact that there had been no information about the non-fulfilment by any party of the obligations of Article I; neither had the verification procedures provided in Article III been put into operation. It was also pointed out that no party of the Treaty had used the right, mentioned in Article VIII, to withdraw from it. All these facts were taken to indicate that the SBT had worked well.

Although this view was shared in general terms by practically all delegations, some additional proposals were raised with the purpose of increasing the credibility of the provisions of the Treaty. These proposals resulted in some disagreements in the course of the review which had to

[2] See 'Prospects for Arms Control in the Ocean', *SIPRI Research Report*, No. 7, October 1972, p. 17.

[3] See Evan Luard, *The Control of the Sea-bed. A New International Issue* (London: Heinemann, 1974), pp. 52–60, and Neville Brown, 'Military Uses of the Ocean Floor: Arms Control and Police Forces for the Ocean', *Pacem im Maribus* (Malta 1971), pp. 115–21.

be reconciled before the Final Declaration could be adopted. The first problem emerged during the review of verification procedures where Japan proposed the establishment of an international machinery for verification, such as a Consultative Committee, to secure the effective operation of the SBT. Pending the establishment of such machinery, the Japanese delegation proposed that Article III could be interpreted to include the extension of the good offices of the UN Secretary-General for giving assistance to those states which do not possess sufficient verification means of their own. Extension of this assistance should be provided on the basis of a request by the state concerned.

This suggestion was supported in particular by Ghana, and Canada, the Netherlands and Sweden also expressed views which were not very far from the Japanese position. The standpoint of the major nuclear powers was that neither this nor any other part of the Treaty should be formally amended, and that the provisions of Article III in its present form already allowed sufficient latitude for interpretation and application to practical situations that might emerge. It was also pointed out that the provisions of Article III by no means exclude the possibility of establishing a Consultative Committee along the lines proposed by Japan. This state of affairs was expressed in the Final Declaration by pointing out that the provisions for consultation and co-operation in Article III 'include the right of interested State Parties to agree to resort to various international consultative procedures, such as *ad hoc* consultative groups of experts and other procedures'.

To understand the debate on the verification procedure one has to recall its historical background. The first US–Soviet draft proposal of October 1969 recognized the right of parties to verify suspected activities and envisaged a commitment by them to consult and co-operate with a view to resolving remaining doubts. However, this did not satisfy several countries which advocated the idea that an international verification mechanism should be established to assist the great majority of coastal states which did not have sufficient technical capability to inspect suspected violations of the Treaty. In addition, more explicit references to the right of coastal states to be notified of any verification procedures taking place on their respective continental shelves were demanded. These demands were satisfied to a certain extent in later versions of the draft.

This issue remained relevant also later on. In connexion with its adherence to the SBT in 1973, India announced that there could be no restriction of its sovereign right to verify, inspect, remove or destroy any weapon, device, structure, installation or facility which might be emplaced on or beneath its continental shelf by any other country. In response to the statement by the Indian Government, the United States pointed out that the 1958 Geneva Convention on the Continental Shelf

restricts the rights of coastal states only for purposes of exploration and exploitation of natural resources, and hence does not concern military equipment. Similarly Yugoslavia announced in 1974, in its note to the United States, that the right to verify presupposes prior notification if the inspection is to take place in the environment above the continental shelf. The United States, however, did not accept this principle. A similar exchange of views took place between the United Kingdom and Yugoslavia.[4]

India also reiterated in the Review Conference its traditional view that measures taken under Article III should be guided, first of all, by the sovereign rights of coastal states. This point was taken into account in a somewhat diluted form in the draft proposal concerning Article III which was worked out by the group of seven countries consisting of Bulgaria, Ghana, Hungary, India, Iran, Norway and the United Kingdom, and was also expressed in the Final Declaration.

Other points of disagreement emerged in deliberations concerning further measures in the field of disarmament for the prevention of an arms race on the sea-bed. The United States considered, as stated by its chief delegate, Mr Leon Sloss, that there was no evidence of an arms race on the sea-bed and little prospect of one in the future. For this reason and because some relevant negotiations were already under way, e.g. the Strategic Arms Limitation Talks (SALT), the US did 'not see any need for new multilateral negotiations on further measures dealing specifically with the sea-bed, particularly since there is new momentum on issues of demonstrably greater priority'. The Soviet Union resorted to its traditional point of view and advocated complete demilitarization of the sea-bed: the head of the Soviet delegation, Ambassador Viktor Israelyan, declared in the plenary debate, that it was 'ready to negotiate an international agreement or agreements to ban the emplacement on the sea-bed and the ocean floor of military objects that are not covered by existing treaty and other measures to reverse or contain the arms race on the sea-bed and the ocean floor'. Some other countries, such as Sweden and Yugoslavia, strongly emphasized the urgent need to start further negotiations, and wanted the Conference to register regret in the Final Declaration about the non-observance of this obligation. Their arguments were thus directed against the two great powers and reflected their attitudes in other arms control contexts. This tripolarity of views was soon transformed into bipolarity (as one could have predicted from the beginning) when the United States and the Soviet Union worked out their joint draft proposal which was finally accepted without any major complications. The Final Declaration requested the Conference of the

[4] For further details, see Stockholm International Peace Research Institute, *SIPRI Yearbook of World Armaments and Disarmament 1974*, pp. 439–40 and ibid., *1975*, pp. 499–501.

Committee on Disarmament (CCD) to proceed promptly with the consideration of further measures of disarmament in this particular field. It is not, however, too difficult to predict that the CCD will not pay much attention to this request, because other issues like the Comprehensive Test Ban and the limitation of chemical weapons are felt to be much more urgent.

This debate again reflected the historical divergence of views between the two great military powers and the non-aligned countries, in particular Sweden and Yugoslavia. During the negotiations for the SBT, one of the disagreements was related precisely to the undertaking of further measures to exclude the sea-bed from the arms race. The main question was whether it was enough to mention this pledge in the preamble or whether its role should be strengthened by making it a separate article in the operative part of the Treaty. After several rounds of consultations, an agreement emerged on the latter solution. One may note in passing that a separate article was also added to the US–USSR draft treaty on the convening of a Review Conference to examine the operation of the treaty five years after it had entered into force.[5]

The third point of disagreement was related to the review of military technology as defined in Article VII according to which the review conference 'shall take into account any relevant technological developments'. Nuclear powers were reluctant to give any information on these developments. The UN Secretary-General had requested the Depository Government to provide relevant technological information to the Review Conference. The Soviet Union did not respond at all to this request, while the United States and the United Kingdom replied that they did not have any information of this sort. On the other hand, many countries, e.g. Finland and Sweden, pointed out in their statements that there were at least potentially military developments on the sea-bed and in the marine environment in general which had definite implications for the SBT. Sweden proposed that the CCD should be requested to set up an expert committee to follow relevant technological developments.

The Swedish proposal was included, owing to the support of Yugoslavia, in the Final Declaration. The conference recognized the need to keep such technological developments 'under continuing review and invites the CCD, in consultation with States Parties to the Treaty, to consider establishing an *ad hoc* expert group under its auspices for this purpose'. The Declaration also invited the UN Secretary-General to

[5] For a more detailed description of the course of negotiations during the late 1960s and at the turn of the decade, see *SIPRI Yearbook of World Armaments and Disarmament 1969–70*, pp. 154–80; P. Terrence Hopmann, 'Bargaining in Arms Control Negotiations: The Seabeds Denuclearization Treaty', *International Organizations*, No. 3, 1974, pp. 313–43; United Nations, *The United Nations and Disarmament 1945–1970* (New York, 1970), pp. 179–80 and ibid., *1970–1975* (New York, 1976), pp. 114–24.

collect information on relevant technological developments from 'officially available sources and publish it in the United Nations Yearbook on Disarmament'. A function of this task is, according to the Final Declaration, to 'facilitate the dissemination of information relevant to the Treaty to States for their assessment'.

The final controversy related to the timing of the next Review Conference of the SBT. It was felt unanimously that the review institutior should be maintained also in future. Sweden, in particular, advocated that the next review should be carried out in 1982, i.e. five years after the first Review Conference. Its position was supported, amongst others, by Jordan, Switzerland and Finland. The US delegation stated bluntly tha any further Review Conference should be held only when developments had taken place that made it desirable. The Communist countries, whose views were put forward by Hungary in the sixth plenary meeting, did no commit themselves to any specific date, but emphasized that Review Conferences should not become mechanical exercises which might happen if they were convened at strictly regular intervals. Many smalle Nato countries tried to work out a certain compromise formula by proposing that the Enmod example should be followed in determining the timing of the next Review Conference. According to this formula, a majority of the Parties to the Treaty may obtain the convening of a Review Conference after not less than five years; and if no review conference has been convened within ten years following the conclusion o the last Review Conference, ten states which are Parties to the Treaty should be able to obtain it.

Finally, an agreement was reached that the next SBT Review Conference should be held in 1982—in this respect the Swedish proposa was adopted—'unless a majority of States Parties indicate to the Depositaries that they wish it postponed. In any case a further Review Conference shall be convened not later than 1984.' In a way, a reversed Enmod formula was adopted in defining the timing of the next review o the SBT; in the former case a majority must positively act to conven the Review Conference during the interval of five to ten years, while in the SBT case a majority must use their veto to prevent the Review Conference from becoming a reality after five years.

Some lessons for the future

The Review Conference of the SBT at Geneva showed again a cleavag between the most outspoken non-nuclear powers and the two grea powers, although the atmosphere at that conference was not as tense a in some other diplomatic disarmament fora. This may have been partl due to the fact that some most 'radical' disarmament delegations did no participate in the SBT Review Conference. On the other hand, this conference vividly illustrated those differences of principle and of orientatio

which exist between the United States and the Soviet Union. The US delegation had a careful, minimalist orientation, while the Soviet delegation demanded far-reaching further measures relating to the sea-bed. In that respect elements of a common line between the Soviet Union and other Communist countries on one hand and non-aligned countries on the other could be discerned.

Nevertheless, in the course of the conference the United States and the Soviet Union reached a tenuous consensus on how the work of the meeting should proceed. Some may take this as a sign of a common plot of the super-powers to dictate the disarmament policy of international institutions. One should not forget, however, the extreme responsibility of these two great powers in furthering disarmament and in facilitating political détente through disarmament measures. From this perspective conciliatory co-operation between the great powers in disarmament negotiations is a welcome sign, and in the specific case of the SBT Review Conference it gave promise of new achievements during 1977 and 1978. These promises are gradually, though extremely slowly, materializing through progress in negotiations concerning strategic arms limitation, the Comprehensive Test Ban and the limitation of chemical warfare agents at the CCD. It may not be too far-fetched to predict that at least preliminary agreements on these issues will have been reached in time for the UN Special Session on Disarmament in May–June 1978.

The relatively conciliatory atmosphere in the SBT Review Conference[6] was probably due in part to the relatively low perceived significance of this Treaty compared with, let us say, the limitation of strategic arms or mutual force reductions in Central Europe. Political and military interests in the sea-bed are not so conspicuous that they would warrant major negotiations on these issues. This point of view is, however, only a part of the truth, because there are potentially a number of developments, related both to the growth of military technology applicable to the sea-bed and to the exploitation of the economic riches of the marine environment, which could easily lead to a situation in which the provisions of the SBT are gradually undermined—in such a situation the guarantee of the future credibility and significance of the SBT would become increasingly important.

The SBT Review Conference marked slight progress in reducing the secrecy and information monopoly held by leading military powers in weapons technology and its development. The reluctance of these powers to provide any information on 'relevant technological developments' in the field of the SBT was clearly indicated by their inadequate response to the request by the UN Secretary-General. In the Final Declaration,

[6] In this connexion one may recall the fact that the negotiations for the SBT proper also took place, according to Hopmann (*loc. cit.*), in a relatively conciliatory fashion. These talks were characterized by a tendency on the part of the major powers to respond positively to the initiatives of other parties.

the CCD was invited to establish an expert group to follow technological developments and the United Nations was asked to collect information from officially available sources for publication in the UN Yearbook on Disarmament. These tendencies can be interpreted as welcome steps towards more free and balanced dissemination of information on military and weapons-related developments, relevant from the standpoint of the SBT.

THE PANAMA CANAL TREATIES

In connexion with Jo Beresford's article 'The Panama Canal treaties' (*The World Today*, December 1977, pp. 443–6), Dr Hans-Gerd Kausch from Kiel raises the following three points:

1. The 1903 treaty did not grant the United States sovereignty over the Canal Zone (p. 443) but merely the exercise of certain sovereign rights for limited purposes as can be seen from Articles II and III of the treaty. The questions concerning 'titular sovereignty' remaining with Panama, have, of course, been of extreme importance to Panamanians and have been discussed since 1904.
2. The annual payments Panama is to receive under the 1977 draft treaty will not come from the United States (p. 445) but will be drawn entirely from Panama Canal revenues. This fact is of special importance because payments from the US would have required Congressional appropriations which would have further complicated the ratification process.
3. The Protocol to the Neutrality Treaty (p. 446) is not supposed to guarantee the permanent neutrality—this guarantee is given by Panama and the United States in Art. IV of the Neutrality Treaty—but simply to signify acknowledgement of the regime of neutrality and a commitment of the signatories to observe and respect this regime. Furthermore, the Protocol has not been signed by OAS member states but will be deposited with the OAS Secretariat to be opened to accession by all nations. At this time it still remains doubtful to what extent other countries will make use of this opportunity.

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Notes of the month

TURNING TIDE IN BRUSSELS

THE Commission of the European Communities put forward its proposals for this year's Price Review on 8 December 1977;[1] the Council of Ministers reached agreement (initially ad referendum in the case of Italy, but subsequently confirmed) in the early hours of 12 May 1978. Theoretically, decisions should be reached in March; in practice, they are usually arrived at in April. The delay this year was due partly to the French elections; partly to the tactics of the Danish President of the Council, Mr Dalsager, and the Commissioner for Agriculture, Mr Gundelach; partly to the complexity of some issues and what Mr Silkin, the British Minister of Agriculture, Fisheries and Food, was pleased to call some countries' 'theological difficulties' over the British Milk Marketing Boards; and partly to a lack of political will—Ministers saw little prospect of going home wreathed in triumph.

One of the main reasons for this prospect of little glory was the deliberate moderation of the Commission's approach. The proposals were intended to result in an average increase in support prices (in units of account) of the order of 2 per cent. The average effect on the cost of food to the consumer was expected to be of the order of 0·5 per cent and on the cost of living in the Community of the order of 0·1 per cent. These proposals were described as 'the expression of a prudent price policy'. The Commission's prudence was grounded in its concern at the depressed state of the economy and the prospect of further surpluses. The Commission also apparently believed that the agricultural industry ran less economic risk than other sectors of the economy. This theme was underlined by its President, Mr Roy Jenkins, in presenting the Commission's programme for 1978 to the Parliament in Strasbourg on 14 February: '. . . for the agricultural community, our system of guaranteed prices and regulated markets has provided a degree of security which has been enjoyed by few other sectors of the economy—and this has been particularly significant for farmers during the general economic turndown from which Europe has recently been suffering.' He also stressed again the Commission's concern about surpluses, as a result of which 'last year we proposed only modest increases in the common prices. For the next

[1] 'Commission Proposals on the Fixing of Prices for Certain Agricultural Products and on Certain Related Measures', Vol. I, COM (77) 525 final.

season we have followed the same course; and we shall follow it for as long as is necessary to check the surpluses.'[2]

Farmers were quick to reject the idea that they were in a privileged and sheltered position. Since the 1972–73 marketing year, the Commission has used the result of the so-called 'objective method' calculation as the basis of its proposals. (Briefly, this is a method of calculation which attempts to give mathematical expression to two of the key aims of the Common Agricultural Policy (CAP)—to increase agricultural productivity and to ensure a fair standard of living for the agricultural community.) This year, the calculations indicated an increase in the general level of common prices of agricultural products for the 1978–79 marketing year of 4·2 per cent, and COPA (*Comité des Organisations Professionnelles Agricoles*) expressed the farm organizations' disappointment that the Commission had put forward an average of less than half that figure. In COPA's view, 2 per cent was not enough to cover the average rise in costs and match improvements in the income of other sectors; the proposals would also affect farmers' confidence and limit investment possibilities, which would in turn cause unemployment in both agriculture and the industries which depend on it. The European consumer organizations naturally approved of the Commission's moderate proposals, criticizing them only on the ground that there should have been a complete freeze on the guaranteed prices for products in structural surplus and reminding the Commission and Council of another key objective of the CAP—maintaining reasonable prices to consumers.

The final outcome was an average increase in support prices of about 2·25 per cent—one of the lowest ever and very little more than Commissioner Gundelach had suggested in the first place, which tends to confirm the assessment of his approach expressed in this journal a year ago.[3] The combined effect of the 2·25 per cent and the various green rate changes (including the United Kingdom's 7·5 per cent green pound devaluation) was expected to give a net increase in support prices of less than 2 per cent to farmers in the countries with the stronger currencies—Belgium, Denmark, Germany, Luxembourg and the Netherlands: for farmers in the weaker currency countries, the net increases would be 5·6 per cent in France, 8·3 per cent in Ireland, 10·1 per cent in the UK and 14·1 per cent in Italy. Mr Silkin told the House of Commons that for the UK the overall effect of the package would be to increase the food price index by 0·5 per cent which meant about one-eighth of one per cent on retail prices.

As far as the other measures were concerned, the most heat was generated over the British Milk Marketing Boards and the Mediterranean package (combined with the difficulties on wine). The description

[2] 'Programme of the Commission for 1978', The Commission, February 1978.
[3] See Trevor Parfitt, 'Bad blood in Brussels', *The World Today*, June 1977.

of the objections to the MMBs as 'theological' was only partly in jest: in many quarters the Treaty of Rome remains holy writ, and the Community lawyers were overwhelmingly of the opinion that the boards contravened the treaty. What has now happened is that the Council has amended the regulation on the common organization of the market in milk and milk products to provide for bodies such as the boards on a Community-wide basis, with certain conditions and safeguards. This outcome is an example of what can be achieved by sustained pressure. The first essential feature was complete unanimity between the boards, the farm organizations, the consumer organizations, the Minister and his Ministry, and the Commissioner for Agriculture; the second was the willingness of the other eight Ministers, even if in some cases only at the eleventh hour, to agree to a *communautaire* solution rather than just a derogation for the UK.

The Mediterranean issue was complicated by the absence of any real progress over a number of years on the socio-structural measures put forward by the Commission; by the continuing disagreement between France and Italy over what to do about the wine lake; by the insistence of the French and Italian Governments that the CAP was biased in favour of the northern countries and the balance must be redressed (against which Germany and Britain were chary of pouring money into Italy without any certainty that it would reach the intended recipients); and by French and Italian fears about the effects of enlarging the Community. In the event, the Council linked structural reform and improved marketing in the wine sector and took steps to help them to progress pari passu; the Germans and the British agreed to an expenditure of nearly £600 m. over five years in the Mediterranean regions of France and Italy; and Mr Gundelach felt able to claim that the measures as a whole provided the necessary breakthrough in redressing the balance in the CAP in the way in which the Italians in particular had demanded. Having visited the Côtes du Roussillon area shortly after the review, the present writer is not sanguine about the wine lake: the improvements which are being made there (Languedoc-Roussillon is one of the main problem areas) suggest a lake of improved quality wine, but a lake none the less.

Despite acrimonious exchanges on marketing boards and wine, this very protracted review was low-key. Mr Gundelach is determined to preserve the CAP by a series of modifications and adaptations. The first priority was to stem the tide on price levels, and this has been achieved, although it should be remembered that in no Member State will the net increase in farm support prices come anywhere near matching the rate of inflation in farm costs, and price reviews do nothing about processors' and distributors' margins. Moreover, the strains imposed on the CAP by the very different economic performance of the individual countries,

reflected in wide currency variations, still remain and it is a pity that the Council could do no more than decide 'to fix as its objective steady progress towards the abolition of existing monetary compensatory amounts in the light of a satisfactory price policy and the development of a more stable relationship between the currencies of the Member States of the Community'. Did someone say something about economic and monetary union?

TREVOR PARFITT

'PEACE NOW': POPULAR PROTEST IN ISRAEL

SINCE its emergence early in March, 'Peace Now' has grown into a sizeable political protest movement in Israel. Its continuing call upon Mr Begin's Likud coalition Government for territorial concessions to the Arabs has aggravated factional differences in the Democratic Movement for Change (DMC), encouraged dissidents to press for the removal of the Deputy Prime Minister, Mr Yadin, from the leadership and revived Shinui's[1] earlier demands for the party's withdrawal from the Government.

'Peace Now' began with a letter to Mr Begin on 7 March, signed by more than 300 reserve officers of the Israel Defence Forces (IDF). All of them held the rank of lieutenant to lieutenant-colonel, most had served in crack combat units or in the air force and several had been decorated for distinguished military service, including one officer honoured for outstanding gallantry in the Yom Kippur War. They emphasized that they were a non-political group appealing to him as 'citizens and not as army officers' and that they were aware of Israel's security needs and the difficulties lying in the path of peace. But they felt that

> a government which prefers the existence of the historic state of Israel to peaceful and friendly relations with its neighbours will leave us in serious doubt; a government which prefers the formation of settlements beyond the Green Line to a settlement of the historic conflict which establishes a system of normal relations in the area will cause us seriously to question the rightness of our way; a government which contributes to Israel's continued rule over one million Arabs may harm the democratic Jewish character of the state and make it difficult for us to identify with the state of Israel.[2]

[1] Shinui (Change) was one of the three principal factions, including Merkaz Hofshi (Free Centre) and ex-Labour Alignment members, which merged in 1976 to form the Democratic Movement for Change under Yigael Yadin's leadership.
[2] *Maariv*, 7 March 1978.

In his reply to the officers on 9 March, Mr Begin asked that each of the signatories send him a personal letter stating whether they accepted the dual Arab demand for Israel's return to the pre-4 June 1967 borders and for the creation of a Palestinian state. If they did not, then 'they should allow the elected Government to conduct the peace negotiations according to its understanding.' Spokesmen for the reserve officers claimed that Mr Begin had 'distorted the picture'; they believed that there was a middle path between his alternative and a Palestinian state. They would persist in seeking to meet the Prime Minister and would collect further signatures in response to the flood of public support. They broadened their canvassing to include students from the Hebrew and Tel Aviv Universities and ordinary citizens. At a press conference on 29 March, they launched a public campaign with the declared aim of changing the Begin Government's order of priorities in favour of a policy of concessions for peace. They claimed to have by now 10,000 signatures including those of 950 officers to the rank of lieutenant-colonel, hundreds of university students, members of the Liberal Party in the Likud bloc, kibbutz members and a variety of other citizens from across the political spectrum. Large notices in the daily press carrying the slogan 'Peace Now' (by which the movement became known) called for an 'Emergency Demonstration Rally of Solidarity' on 1 April, in Tel Aviv's *Kikar Malchei Yisrael* (Place of the Kings of Israel) in protest against the extremist policies which the Government had adopted from Gush Emunim (Faith Bloc) and the Greater Israel Movement. If no immediate action was taken, they warned, the Government would lead the nation 'into a dark and terrible future'. An estimated 20,000 people turned out at the rally—twice the number of declared supporters.

The Government was particularly concerned at the harmful effect which 'Peace Now' could have upon Mr Begin's domestic and international credibility. The Minister of Finance and leader of the Liberal Party within the coalition, Mr Simcha Ehrlich, for instance, declared in a speech delivered before Bar Ilan University students on 5 April that the reserve officers' letter 'smelled of a putsch' and that it was an example of 'illegitimate exploitation by the citizen of his military background for political purposes'. The Likud's anxiety about the challenge of 'Peace Now' was to be seen against the background of a long list of foreign policy reverses that had caused widespread public unrest in Israel: the collapse of the peace negotiations with Egypt in the Political Committee following the angry opposition of Israeli settlers to the Government's proposals for the future of Pitchat Rafiah; the failure of the Atherton shuttle in February to revive the momentum in either the Political or Military Committee; Israel's confrontation in March with the Carter Administration's position declaring Israel's settlements on the West Bank illegal; the American application of UN Resolution 242 to Israel's withdrawal from the West

Bank; and the inadequacy of Mr Begin's peace plan as a basis for resolving the Palestinian question. The PLO attack on the Tel Aviv–Haifa highway on 11 March produced demands for a public inquiry into the failure of the security forces to intercept the terrorists and led to the Israeli invasion of Southern Lebanon whose strategic soundness was questioned. This was capped by Mr Begin's failure to return from Washington with a joint communiqué resolving Israel's differences with the United States, President Carter's listing of the 'Six Noes' attributed to the Israeli Prime Minister's inflexible position towards Egypt, and the anonymous rumour that Washington favoured Mr Begin's resignation from office.

The pro-Government 'Movement for a Secure Peace', launched on 6 April, was aimed at demonstrating that public support for Mr Begin's handling of the Government's peace negotiations was far greater than the opposition to him registered in the 'Peace Now' rally on 1 April. Beginning with a petition of support for the Likud-led Government and for Mr Begin personally, the 'Movement for a Secure Peace' drew upon the resources of the Herut Party, the Liberal Party, the National Religious Party, the Bar Ilan University campus, Gush Emunim and the Greater Israel Movement to canvass signatures at 200 stands set up throughout the country. By 10 April, it claimed to have collected 132,000 signatures; 40,000 people were estimated to have turned up at its rally on 16 April in *Kikar Malchei Yisrael*—twice the number of estimated demonstrators at the 'Peace Now' rally, but less than one-third of the reported number of collected signatures.

There is some circumstantial evidence linking 'Peace Now' with the dissident Shinui faction in the DMC. It is argued that opposition to the DMC's entry into the Likud-led coalition Government in October 1977 had come primarily from Shinui, which supported major territorial concessions to the Arabs in exchange for a peace settlement. Mr Yadin, at the time, had urged the party executive to approve the DMC's entry into the Government on the grounds that Israel would be called upon to make fateful decisions and that the DMC's presence in the Cabinet would give the Likud a representative balance of political opinion in the country and greater international credibility. Having failed to prevent its entry into the Government, Shinui was further angered by Yadin's decision to propose Shmuel Tamir (Merkaz Hofshi) instead of Shinui's leader, Amnon Rubinstein, as the DMC's nomination for Justice Minister and representative in the Cabinet. Furthermore, it is pointed out that since October 1977 the DMC's membership has fallen from 36,000 to 10,000, while Shinui's strength in the executive has reportedly dropped from 35 per cent to 25 per cent.

It is hardly a coincidence, therefore, that 'Peace Now' (apparently based on breakaway grass roots support for Shinui) should emerge after a series of major Government foreign policy blunders, in parallel with

renewed demands by Shinui members in the Knesset (Rubinstein, Wirshufski and Wertheimer) urging the party to oppose the Likud's settlement policy and peace terms, together with a campaign by Shinui members in the executive to have Yadin ousted from the leadership and a resolution passed approving the DMC's exit from the coalition. The leaders of 'Peace Now', many of whom are university students below the age of 30, claim to have obtained over 100,000 signatures supporting the reserve officers' letter. However, Yigael Yadin, Simcha Ehrlich and Golda Meir rejected their position in a round of meetings held during April–May. Only the Labour Party leader, Shimon Peres, declared that he agreed with their demands; but his offer of support was conditional upon the movement adopting Labour's parliamentary methods of protest. It is clear that until 'Peace Now' transforms its criticism of Likud policy (No to Greater Israel; No to additional Jewish land settlements across the Green Line during the peace negotiations; and No to Israeli rule over one and a half million Arabs on the West Bank and Gaza) into a set of proposals, including a statement of the borders to be negotiated for a settlement with the Arabs, the movement will continue to function outside the framework of parliamentary organization as a threat to the unity of the DMC.

To resolve the factional struggle, the DMC executive passed a resolution on 1 June sponsored by the Transport and Communications Minister, Meir Amit, specifying the terms under which the party would remain in the Government. These are: a continuation of the negotiating process between Israel, Egypt and the United States; an Israeli peace diplomacy based upon security considerations and a defence of the Jewish-democratic character of the state of Israel; no actions by the Government that could harm its credibility or sabotage the peace negotiations; the search for a solution to the problem of the West Bank and Gaza that does not lead to the creation of a Palestinian state in these territories; an obligation upon DMC Ministers actively to pursue in the Cabinet the party's policy guidelines as stated in the executive resolution.

Such a radicalization of the DMC's foreign policy stand, however, only blunts the criticism levelled at it, and particularly at Yigael Yadin, that it has come to terms with a peace policy whose principles it rejects but whose decisions it accepts. 'Peace Now' is likely to remain a thorn in its side, reminding the executive that the DMC's continued presence in the Likud coalition is legitimate for as long as it fulfils the role of critical opposition from within, which it assigned to itself when it originally decided to join the Government.

YEHONATHAN TOMMER

Changing perceptions about the Arab–Israeli conflict and settlement

LAWRENCE L. WHETTEN

DURING President Sadat's first meeting with President Carter in 1977, he was asked to accept the right of Israel's existence and to open direct talks with Tel Aviv. According to Carter, Sadat replied, 'This will never happen in my lifetime.'[1] Yet in six months, Sadat had made his historic visit to Jerusalem and pledged before the Knesset his acceptance of the state of Israel, his determination to work for a durable peace and his renunciation of the use of force.[2] This dramatic reversal was due to the unexpected political victory of the Likud coalition in June and its signals that Israel would be adopting a revised negotiating position.

For many years Israel has maintained routine communications with Jordan and indirect channels with Egypt (recently it has opened contacts directly with Saudi Arabia and possibly other Arab states). At the annual Pugwash Conference in September 1977, the Israeli delegation discussed the following propositions with the Egyptians: First, Begin was a reasonable individual and enjoyed wide popular support; he could not be 'outflanked on the right' by the opposition; he was in the position of 'Nixon going to China' and was prepared to open negotiations. Second, no Israeli government could ever deal with the Palestine Liberation Organization (PLO), yet the new Israeli Government recognized the right of the Palestinians to establish some form of national identity, and suggested that the Egyptians assume, as they had in the past, responsibility for Palestinian interests. Third, the envisaged Palestinian entity should be confined to the East Bank, i.e. to Jordan proper.

There were apparently intermediate communications that refined the proposals, since Sadat responded during his October visit to Bucharest that he could agree to the first two points in return for Israeli acceptance of bilateral negotiations over the sovereignty of the Sinai and the long-standing Arab demands for negotiation of a treaty of principles that would serve as guidelines for negotiations with other confrontation states. Israeli officials affirm that Sadat discussed his proposed acceptance

[1] *New York Times*, 7 May 1978.
[2] See Keith Kyle, 'President Sadat's initiative', *The World Today*, January 1978.

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of the Israeli terms with Saudi Arabia and apparently confirmed this approval through their own sources. Sadat's suggestion of an invitation to address the Knesset was his own and was apparently an attempt to dramatize the new opening and firmly enlist American involvement, while hedging against adverse reaction by other Arab states.

During the initial phases of the summit exchanges in Jerusalem and Ismailia, and later at the two working-level ministerial committees in Cairo and Jerusalem dealing with the two Egyptian proposals, both sides accepted each other's respective estimate of the threats to their national interests, which required the defence of the Suez Canal and the deterrence of a co-ordinated Arab attack. In these discussions, the Israeli Government, according to the Labour opposition, prematurely recognized Egyptian sovereignty over the entire Sinai and then introduced qualifications regarding the security of the Rafiah settlements and the retention of three airbases in the Sinai for strategic purposes.[3] During subsequent discussions, it was agreed that the Gaza Strip should become a part of the Palestinian entity and be cordoned off from the Sinai by UN peace-keeping forces. Israel has now conceded its claims to ensure the security of the settlements and will accept UN forces at the settlements and at Sharm el-Sheikh. Egypt has agreed to allow Israel to retain the operational use of the three airbases as deterrence against an attack from the north (there are only four strategically vulnerable bases in Israel), which will be returned to Egypt after peace treaties are signed with Jordan and Syria.

The two outstanding issues remain the nature and scope of demilitarization of the Sinai east of the passes and the final disposition of the settlements. On the first, Israel has agreed that Egypt may fully militarize the east bank of the Canal to insure its defence, but will probably insist that only lightly equipped troops be permitted between the passes and a demilitarized buffer zone along the Israeli border. The second problem is whether the settlements would eventually come under full Egyptian rule, be resettled in the Negev or await a later discussion.

Reactions to the Begin plan

In the wake of the Sadat proposals to the Knesset, the Begin Government presented a 26-point plan that proclaimed endorsement of the UN Security Council Resolution 242 incorporating the formula of peace in return for withdrawal. But the plan introduced a new interpretation, namely, that the withdrawal clause did not apply to the West Bank. The plan envisages autonomous rule for the Palestinians in Gaza and the West Bank, the phasing out of the Israeli military administration, but the retention of exclusive responsibility for security matters. The entire

[3] See the criticism by the leader of the Labour Party and former Defence Minister, Shimon Peres, *Jerusalem Post*, 2 May 1978.

arrangement is to be reviewed in five years. (The review provisions, however, are widely questioned because of the Government's policy of encouraging Jewish settlements on the West Bank and the Prime Minister's frequent pledges that Israel must remain undivided and will never relinquish the West Bank.)

The Arabs and the United States have firmly rejected the Begin plan because it does not endorse the principle of the 'inadmissibility of the conquest of territory by force' and because of the implausibility of creating a genuine Palestinian national identity under Israeli political domination. Thus a stalemate has emerged over the interpretation and wording of the treaty of principles and how to incorporate the intentions of UNSC Resolutions 242 and 338.

Both Cairo and Washington, however, recognize that Palestinian self-determination itself is not enough and have coined the Aswan formula, whereby the Palestinians have the right 'to participate in the determination of their political future'. Both realize that the objectives, values and institutions of the Palestinians must be more clearly identified. Thus the Palestinian question is taking on some of the dimensions of the unsolved German problem, namely the location, goals and institutions of the society that are acceptable to *all* its neighbours, the Arabs no less than the Israelis. The issue is how to find an interim formula that will satisfy both Israeli security requirements and the political aspirations of the Palestinians, without creating circumstances that will expand the influence of the radical factions. Only when a moderate Palestinian entity begins to emerge will there be firm prospects for normal relations between the Arabs and Israelis.

All parties, with the possible exception of the PLO, agree that the Soviet Union should not be involved in the settlement process now or in the forseeable future and that the idea of a Geneva conference is a dead issue. They also agree that the United States should play an active, integral part, not only because of its indispensable influence on both sides but because of its role as a witness to discussions among distrustful parties. Israeli officials in both government and opposition, however, have strongly urged a return to quiet diplomacy below the presidential level. The Egyptians, however, argue that only President Carter's personal intervention can preserve the momentum of the Sadat initiative and secure agreement on the statement of principles.

There is a wide range of views about the next tactical step towards an interim settlement. The PLO leader, Yassir Arafat, demands the creation of a Palestinian state 'on any liberated territory'. Since there are no clear perceptions of the nature of a future Palestinian political entity, the PLO demands are unacceptable to Israel, Jordan, Egypt and probably Syria. The notion of federation with Jordan has been repeatedly rejected by the PLO. Others have called for the establishment of a UN trusteeship,

which is regarded by Arab officials as a retrograde measure. The idea of establishing local rule under US security guarantees for Israel and Jordan is denounced by some as unwarranted intrusion and a dangerous precedent for Soviet involvement. Shimon Peres has outlined a plan for local rule under joint security guarantees by Israel and Jordan.[4]

The most plausible suggestion would be the creation of the long-sought Provisional Palestinian Government (PPG) in exile. This has been impossible in the past because of the deep fissures within the PLO about the future of Israel and the nature of Palestinian society. The formation of a government-in-exile representing Palestinians on the West and East Banks and in the diaspora now would force a schism with the 'rejectionists' and allow the moderate elements, which apparently are in the majority, to dominate the policies of the new entity. The mere formation of a PPG would satisfy the most urgent demands of the Palestinian diaspora for the creation of symbols and substance necessary for national identification. The establishment of a PPG would also satisfy the PLO demands for the formation of a government before considering federation with Jordan and might ultimately satisfy Israeli fears. The feasibility of this suggestion is likely to be determined by the PLO's behaviour in southern Lebanon.

Israel's incursion into Lebanon: the implications

There are widely divergent views held in the Middle East about the purpose of the Israeli incursion into Lebanon last March. Within Israel it was generally felt that terrorist raids near Tel Aviv warranted strong reprisals, but most Israelis expected incisive commando raids or the customary heavy air attacks. The Israeli Government, however, decided to launch an operation that would deny the PLO its war option, i.e. to preclude further shelling of Israel from Lebanese territory. Israel had already effectively persuaded Egypt, Jordan and Syria to prohibit PLO military attacks from their territory, but had failed to secure the same sanctions in Lebanon because of the weakness of the Beirut Government. The Israeli Government, therefore, was determined to operate directly against the PLO in Fatahland.

The military command had two choices: either to advance frontally across the border to a depth of roughly six miles or to strike north to Tyre and then swing east below the Litani River to cut off the Palestinians and then systematically reduce them. The latter option would have cost high casualties and the former plan was implemented. The operation required a protracted three-day build-up that was easily observed by the Palestinians, who withdrew men and equipment, leaving only a strong rearguard. When the US introduced a Security Council resolution calling for withdrawal, Israel decided to shift objectives and

[4] See his 'Strategy for a transition period', *International Security*, Winter 1978.

occupy all of Fatahland up to the Litani, a manœuvre that ran into numerous operational snags. Palestinian resistance was stronger than expected, resulting in only 30 Israeli deaths, but forcing Israelis to inflict much higher property damage than anticipated. While the Palestinians were hurt temporarily, thousands of volunteers came from the diaspora and millions of dollars were privately donated to the PLO. At the same time, Israel was forced to use long-range artillery and other weapons, such as white phosphorous and cluster munitions, against Palestinians defending population centres, and to destroy many border villages. Heavy civilian casualties were inflicted that alienated European, American and some segments of Israeli public opinion.

The operation had several results. The PLO emerged militarily stronger than before but tactically disadvantaged. The introduction of UN forces with a mandate to pacify the region between the Litani and the Israeli border, with force if necessary, has finally compelled the PLO to distinguish between the military and terrorist options, which has deepened the rifts within the movement and triggered the arrest of the Abu Daud faction. (It remains to be seen whether Yassir Arafat will honour the UN mandate, as he has pledged, and forego the military option, the shelling of Israeli territory from Lebanon.

The decline in American opinion polls for support of Israel in the wake of the Lebanon operation and, more important, a new self-examination of the bounds of US commitments in the light of Mr Begin's claims to the West Bank has stimulated support for the growing 'Peace Now' movement in Israel. The firm stand taken by the Carter Administration against these claims, the expansion of Jewish settlements and the US package aircraft sales to both sides have forced the Israelis on to the defensive with their principal ally, a position regretted by the opposition and the Government's critics abroad. (The immediate goals of the 'Peace Now' movement are to force Mr Yigael Yadin's party, the Democratic Movement for Change, and possibly other factions, out of the coalition and then to call for a unified national government, including the Labour opposition, or for new national elections. But Mr Peres insists that he will neither join a coalition nor entice Mr Yadin out but only try to capture the DMC's rapidly declining membership, and outside observers maintain that Mr Begin remains in firm control.)

A final consequence of the Lebanon operation is that many Israelis are now beginning to realize that they, too, must differentiate between their military option and terrorist activities. Israel no longer has the right to claim a special privilege in dealing with terror, i.e. the right to use military force in reprisal for terrorist acts. Accompanying this new awareness is the understanding that the entire spectrum of Israel's threat assessment must be re-examined. The possibility of massive Arab surprise attacks on the one extreme may be best deterred by security

guarantees from the external powers, while terrorism on the other extreme can be handled by local police forces and by alleviating the sources of Palestinian frustration.

Israeli supporters of the operation seem to reflect a mood of determinism or fatalism, the extent of which is difficult to measure. Some argue that there can be no final reconciliation or settlement of disputes, only mitigation of grievances, others that Sadat's initiative was the result of Cairo's final acknowledgement of Israel's military superiority and that he had no option but to abandon war and negotiate: the PLO is now learning the same lessons, therefore no reason exists for Israel to alter its bargaining position.

The Arabs reacted to the intervention from several standpoints. It has demonstrated Israeli arrogance, over-reaction and aggressive intent that will further alienate world opinion from support for the Begin Government. But it has also underlined Arab disunity and inability to deter Israeli aggression. It is therefore widely held that the operation seriously undermined the Sadat initiative and the prospects for peace. This reasoning was behind King Hussein's call for renewed Arab solidarity without denunciation of the progress that had already been made under the Sadat initiative, as the only means of closing the existing gaps.

Many Arabs acknowledge their military inferiority and are convinced that the present stalemate can only be broken either by Sadat's replacement by a more conservative figure or by rearmament.[5] They ignore arguments that a renewed arms race would solidify public opinion behind Begin and intensify the siege mentality within Israel. They also cannot yet grasp the idea that Arab unity can still be achieved from a defensive military posture and point to their inability to counter the Soviet–Cuban incursions into the Horn of Africa as further reasons for larger arms inventories.[6] They dismiss the idea that Arab unity can be achieved more easily by accelerating regional economic and political interdependence with the West over the issue of modernization for the Arabs and sustained economic growth for the West. These alternative views are expressed by a minority of the Arab élites.

A potentially more alarming position is expressed by Arab intellectuals and officials who argue that peace itself is not enough; the nature and scope of regional co-operation must be more thoroughly examined and

[5] Outside observers dismiss reports of Sadat's early replacement and argue that he is likely to co-opt rival factions to silence local opposition.

[6] These proponents point out that if the Russians gain secure bases (besides Aden) on the Red Sea, as they expected during the Podgorny–Castro March 1977 visit to Africa under the guise of a federation of socialist states in the region, Moscow could challenge Egypt's exclusive control of the Red Sea, blackmail Israel, threaten Western oil supplies, strengthen its bargaining position at Indian Ocean naval limitation talks and finally bar the Red Sea to US naval reinforcements during regional crises. Moscow is not likely to use military force, but to seek recognition of its political power in concrete terms.

defined before a final treaty can be concluded. They perceive that Mr Begin's invasion of Lebanon and, more significantly, his claims to the West Bank reflect a change in Israeli attitudes towards the Arabs that bodes ill for future inter-state relations. They conclude that Israel, now faced with the prospects of peace and interaction with its neighbours, is afraid of assimilation and the erosion of the Jewish character of the Israeli state. The reassertion of Zionist ideals and Biblical references underlined by the retention of the West Bank is seen as a means of reinforcing Israel's resistance to regional integration and assimilation. This suggests to the Arabs that future co-operation, even on the functional level, is likely to be made on the terms of their seclusive neighbour. With Jewishness now being strengthened, not merely as a religious conviction but as a national trait, few Arab officials can envisage neighbourly relations developing as now exist, for example, between France and Germany.

When discussing the security implications of a final peace treaty, views vary again. The different schools of thought include the assumption that the US would unilaterally extend military guarantees to Israel, including a possible formal defensive alliance, regardless of the nature of the guarantees afforded the Arabs. Some advocate joint great-power guarantees as the most expedient means of satisfying Moscow's demand for recognition as a regional great power and of constraining Soviet ambitions and behaviour in the region.[7] Others argue that with the decline in the co-operative atmosphere of détente between the superpowers it is doubtful if the necessary identity of views on possible future infractions and appropriate responses could be achieved to provide credibility and confidence for local states; therefore, only a single external power should provide the guarantees—preferably the US. Finally, still others suggest that the guarantees themselves are less important than the imposition by the external powers of arms delivery ceilings, as in the 1950 Tripartite Accord, which would tend to encourage greater responsibility by local powers for the peaceful settlement of disputes.

Despite the details of the outstanding substantive issue in the peace settlement, the thorny nature of the concepts involved will remain the subject of protracted debates. Several observations, however, can be derived from the above discussion. There are profound changes taking place in the Arab world that are stimulating a new sense of self-confidence and assurance, particularly in the Arabian peninsula. This is likely to have a positive effect of integrating more firmly Arab interests and causes into the broader international system, especially as the interdependence with the West increases via the modernization process. This new special relationship between the Arabs and the West is viewed with suspicion by

[7] Lawrence L. Whetten, *The Arab-Israeli Dispute: Great Power Behaviour*, Adelphi Paper No. 128 (London: International Institute for Strategic Studies, 1977).

Israel as a threat to its own ties with the industrial world. Yet it should alert Israel to the importance of ending its regional isolation. True, it is still difficult to speak of common Arab interests because of the prevailing disunity which until now has worked to Israel's advantage. But Arab political unity, however vague, may be restored in the not too distant future; yet for durable common interests to emerge this unity must be based on considered governmental positions and policies, not on the whims of personalities. The increasing interdependence with the West is likely to accelerate this trend.

While the Sadat initiative is temporarily stalled, it is difficult to envisage a complete breakdown, that is, a return to the confrontation before the Jerusalem visit. Too many myths have been exposed and too much common understanding has been achieved. However, if agreement on a statement of principles or intentions is to be reached, the wording will probably be so loose that implementation will be difficult, leaving the Israelis with a continuing security problem and the Palestinians further frustrated in achieving national identification.

Paradoxically, the attempted revitalization of Zionism under Mr Begin has stimulated the spiritual growth of Palestinian national consciousness. This process has already accounted for the return of 100,000 Palestinians to the West Bank since the October War (2·8 million Palestinians live on the West Bank, the East Bank and in Israel proper, leaving less than one million in the diaspora). Reportedly most West Bankers are not anxious for the return of Jordanian rule and identify themselves with the PLO as the only alternative to accepting the Israeli option. But there is inadequate evidence that they embrace the radicals or sympathize with the extremists. There is a reasonable chance, however, that they will be content with confederation with Jordan, since their self-confidence is apt to grow over the 'we-they' discussions that are likely to develop; that is, we remained and suffered but learned to live with the Israelis and you fled and prospered and protracted our suffering.

The problem not likely to be fully addressed in the envisaged statement of principles is how to satisfy the priority interests of both the Israelis and the Palestinians, that is security and national identity. Clearly, changes must occur in both societies, allowing moderate views to emerge. Package plans should be made that provide for the phased introduction of a moderate Palestinian government-in-exile and a phased Israeli withdrawal from the West Bank, under US guarantees, until such time as a peace treaty can be negotiated with a confederated Palestinian–Jordanian state. Both the Arabs and the Americans have the responsibility to encourage the Palestinians and the Israelis to consider moderating adjustments and to accept simultaneous and phased movement towards their respective goals. Both also have the responsibility to convince the antagonists that these goals are ultimately not mutually contradictory or exclusive.

'Limited sovereignty' in Indochina

DENNIS DUNCANSON

The violent dispute between Communist-ruled Cambodia and Vietnam offers many parallels with the Sino-Soviet quarrel as well as with the circumstances that prompted the application of the Brezhnev doctrine to Czechoslovakia.

MILITARY clashes have continued to be reported from the Lower Mekong basin ever since the final victories of Communist arms at Phnom Penh and Saigon in April 1975. At first, in the absence of reports from foreign pressmen after their general eviction from the region, the fighting could be put down to the liberators' mopping up of unsurrendered units of the defeated armies. But rumours of skirmishes continued through 1976, intensified in September 1977 and culminated last December in reported movements of several Vietnamese and Cambodian divisions, backed up by tanks and heavy artillery against each other, to the accompaniment of vitriolic mutual recriminations. Though neither belligerent gave anything away about his operations at the turn of the year, the climax appeared, denials notwithstanding, to be some kind of punitive incursion into Cambodia by the People's Army of Vietnam (PAVN)—six divisions to a depth of 50 miles, according to one account—in defence against which the Cambodians moved 13 of their total 17 divisions to hold the border against any repetition. Phnom Penh broke off relations with Hanoi 'temporarily' and quietly abandoned its Moscow embassy as well, as if to emphasize the alignment of the fraternal Indochina dispute with the Sino-Soviet dispute.

One might have thought that these two new Communist régimes had an interest in good-neighbourliness and would be of a single mind to devote their resources to economic development. Since both sides confine their public information to propaganda, it has been hard to discern which is the aggressor and what his motive. Early reports, in May 1975, that Vietnamese and Cambodian Communists had lost their tempers trying to occupy the same islands in the Gulf of Siam (possessing oil potential) have been confirmed recently by a Hanoi official: he disclosed that his Government had tried at the time to mollify Phnom Penh by

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handing over—to face 'extreme atrocities'[1]—'thousands of refugees' who had poured into Vietnam at the end of the war.[2] But that is not enough to explain the repeated border raids on the mainland, chief victims of which, at least on the Vietnamese side, have been villagers asleep in their beds at night or deportees from Saigon or Danang in 'new economic zones' on the virgin lands near the frontier.[3] Even though it was Communist policy for several decades to disregard the frontier and the two sides have accused each other of adopting distorted maps, uncertainty about where it runs can be excluded as a cause since the most ferocious attacks have occurred in townships like Ha Tien and Moc Hoa (Vietnam) or Neak Luong (Cambodia) whose location on the map is obvious even to strangers; indeed, the Cambodians have confirmed that the conflict has nothing to do either with doubts about the line or with demands for rectification.[4]

The truth has recently begun to emerge, however, and with it plausible grounds for inferring that it is the Cambodians who have started the shooting in order to terrify Vietnamese peasants with the same revolutionary violence they have meted out to their own masses both before and since they liberated them ('forced labour, lack of food, shortage of medicine and summary execution').[5] The Cambodians charge the Vietnamese, on one hand, with having intrigued for a long time to reconstitute the *Union Indochinoise* of French colonial days, with Vietnam in the position of France, and, on the other, when Secretary-General Pol Pot and his Party comrades coldshouldered the idea, with trying to foment an internal coup against the Phnom Penh régime; the Vietnamese incursions in September and December, they say, were an application to Indochina with guns blazing of the (Brezhnev) doctrine of 'limited sovereignty' which Secretary-General Le Duan and his Party comrades had failed to establish by subtler conspiracy.[6] In a counter-propaganda campaign and restatement of Indochina's Communist history, the Vietnamese have accused Pol Pot of planning to reconquer Saigon and the Mekong Delta, which belonged to Cambodia until 300 years ago; they have added that, for their part, although they did hanker after a unitary state embracing all Indochina at one time, they renounced the idea as long ago as 1951.[7] One can hardly credit Pol Pot with harbouring such a grandiose ambition as the one attributed to him, but he must have some objective in the

[1] Radio Hanoi, 15 April 1978 (BBC, *Summary of World Broadcasts*, Far East Section, 5789).

[2] Sau Dieu speaking at Long Xuyen, *Far Eastern Economic Review*, 21 April 1978.

[3] *ibid.*, 3 March 1978.

[4] Pol Pot, Secretary-General of the Cambodian Communist Party, to Yugoslav journalists, *Tanjug*, 24 April 1978 (SWB/FE/5801).

[5] Radio Hanoi, 10 May 1978 (SWB/FE/5811).

[6] Radio Phnom Penh, 31 December 1977 and 15 January 1978 (SWB/FE/5715).

[7] Vietnam News Agency, 7 April 1978 (SWB/FE/5785).

sustained aggressiveness he boasts about.[8] It is obvious that he cannot have at the Vietnamese court friends of the calibre that Le Duan and Pham Van Dong, from the days of the war, used to have at his—until he liquidated them.[9] Consequently, wreaking havoc up and down the frontier settlements just inside Vietnam—especially at points where ex-soldiers from the defeated Saigon régime either are still contriving to hold out[10] or are 'concentrated' in camps for 'remoulding-through-labour'[11]—is the best he can do to destabilize Hanoi's efforts to carry out the socialist transformation of its newly conquered provinces in Cochin-china.

The federation of Indochina

The idea of a federal or unitary state in Indochina is much older than French rule. Nine hundred years ago, when 'Vietnam' meant no more than the region of Hanoi, its rulers asserted a suzerainty over their Indochinese neighbours modelled on that of China over *its* neighbours: one civilization but two dynasties, north and south, the Vietnamese theory ran. Vietnamese 'emperors' made several attempts to annex adjacent districts of China and savagely wiped out the kingdom of Champa; the Laotian state was constituted on Cambodian initiative in the 1300s, but within 60 years a usurper in Hanoi was requiring its prince to 'enter *his* map' as a tributary 'collared territory' (*ling t'u*). Medieval Cambodia itself was a tougher nut than Laos for the Vietnamese; moreover, as the latter's conquests and settlements spread in its direction, their state in turn split into a northern and a southern court. Reunification of Vietnam around 1800 was the event that drew Cambodia into the circle of Vietnamese satellites. The reason was not far to seek: in a unified Vietnam, the widely separated centres of population round Hanoi and Saigon had to be held together along a narrow and sparsely peopled coastal plain, hard to defend against internal rebels if these could find sanctuary or allies in the countries to the west; a measure of imperial control over Laos and Cambodia became increasingly desirable for Vietnam.

The French colonial diarchy in Indochina achieved a good deal of economic and administrative integration between Vietnam, Laos and Cambodia, and the Communist International treated the Union as a single country in plans for revolutionary action. In the 1920s, self-proclaimed Vietnamese nationalists of all persuasions included Laos and Cambodia in their 'Vietnam', so that the Vietnamese trainees from the Communist University for Oriental Workers, in 1930, called their party the Indochina Communist Party, despite its lack of Laotian, Cambodian or other non-Vietnamese members, setting it the task of establishing a

[8] Radio Phnom Penh, 10 May 1978 (SWB/FE/5813).
[9] Radio Hanoi, 10 May 1978.
[10] *Quan-doi Nhan Dan* [People's Army] (Hanoi), 14 March 1978.
[11] *FEER*, 13 January 1978.

single Communist polity for all Indochina.[12] In 1945, Ho Chi Minh, newly returned from Russia and China, had no agents in Cambodia but presented himself to American 'allies' visiting Hanoi as patron of the first Laotian Communist, Prince Souphanouvong;[13] he provided the latter with a liberation army at first comprising Vietnamese in Lao dress[14] and Tonkinese hill tribesmen[15] to fight for a single all-Indochina Communist state.[16] In 1951, after years of pretending to have been dissolved,[17] the ICP announced that, at a supposed Second Congress 'in the jungle', it had reconstituted itself into a Vietnam Workers' Party (VWP) and that separate Lao and Cambodian revolutionary parties would be set up under its auspices; today Hanoi points to the 1951 transaction as the final renunciation of the goal of an Indochina Federation.[18] Unfortunately, that was not how it sounded at the time, for the infant VWP simultaneously proclaimed a Joint National Front for Cambodia and Laos as well,[19] the purpose of which, the VWP's manifesto stated, would indeed be a 'genuine union'[20]—according to a secret contemporary Party circular, in reality 'under a single Party'.[21] There can be little doubt but that, when Ho Chi Minh spoke at that Congress of 'realizing a great union of Vietnam, Laos and Cambodia',[22] he still imagined himself at the head one day of a federation resembling the USSR's autonomous republics all controlled by one Party.

In their historic restatement in April, the Vietnamese, while denying this ambition for federal power after 1951 and making play of many earlier protestations of respect for mutual sovereignties, emphasize the complete dependence of the extension of Marxist-Leninist rule throughout Indochina since that year on *their* efforts; in so doing they make an anachronistic claim to have founded the Free Lao and Free Khmer (1945

[12] *Thirty Years of Struggle of the Party* (Hanoi: Foreign Languages Publishing House, 1960), p. 64.

[13] US Senate Foreign Relations Committee, *Causes, Origins and Lessons of the Vietnam War* (Washington: US SPO, 1973), pp. 304–5.

[14] Ex-comrade Tran Van Dinh writing in Adams and McCoy, *Laos—War and Revolution* (New York: Harper and Row for Committee of Concerned Asian Scholars, 1970), p. 424; confirmed in *Nhan Dan* [The People] (Hanoi), 29 August 1970.

[15] C. Archaimbault, 'Annales de l'ancien royaume de Sieng Khouang', *Bulletin de l'École Française d'Extrême Orient* (Hanoi), LIII, p. 661.

[16] Central Committee report in *Nghien-cuu Lich-su* [Historical Review] (Hanoi), No. 146, p. 5.

[17] See correspondence in *The World Today*, August 1975, pp. 347–8.

[18] Radio Hanoi, 7 April 1978 (SWB/FE/5785).

[19] Radio Voice of Vietnam, 19 March 1951 (SWB/FE/101).

[20] Liang T'ien, *Yüeh-nan Lao-chua ho Chien-pu-chai ti min-tsu chien-fang yün-tung* [The Liberation Movement of the Vietnamese, Laotian and Cambodian Peoples] (Peking 1951), p. 69. *People's China* for 1 May 1951 adds the words 'if the three peoples so desire', but no such proviso occurs in the Chinese-language original.

[21] USIS, *Vietnam Documents and Research Notes* (Saigon 1968), No. 37, item 2, p. 6.

[22] Radio Voice of Vietnam, 28 March 1951 (SWB/FE/102).

clients of the OSS/Force 136 Free Thais) as fronts for their own revolutionary purposes *before* the Japanese entered the war[23] and quote Pol Pot's public gratitude in 1975 to the People's Army of Vietnam, without which Cambodia could not have been liberated. In a commentary on the Party's formal statement, Hoang Tung, editor of the Hanoi daily *Nhan Dan* (The People), told foreign journalists that, at the moment of the coup against Sihanouk in 1970 which sparked the liberation of Cambodia, the People's Army had indeed been 'massively present' in the border sanctuaries inside Cambodia—the reason the US gave an unbelieving world for intervening—and that all the early battles in the Cambodian campaign were fought by Vietnamese Communist troops, the Khmers Rouges numbering at first no more than a hundred and requiring the help of Vietnamese forces for combat as well as training right through till the surrender of Phnom Penh; all the arms supplied by China for the campaign had had to be transported by the Vietnamese, who 'helped with the propaganda' and mediated in secret between Pol Pot, the Chinese Government and Sihanouk.[24] In the first Indochina war too, of course, it was the Vietnamese general who signed the ceasefire at the Geneva Conference in 1954 for Cambodia as for Vietnam and Laos, because the Communist forces operating in all three countries were under the command of Vo Nguyen Giap.

The key to the present conflict probably lies in the persistent difficulty, first the Comintern, then its Vietnamese heirs, have always had in getting ethnic Cambodian recruits; until the end of the Second World War, Vietnamese leaders appointed fellow countrymen resident in Laos and Cambodia as spokesmen in their fronts for the two 'fraternal peoples'. A handful of Laotian intellectuals were gathered by Ho Chi Minh round Prince Souphanouvong before the final French withdrawal from Indochina in 1955; but the leaders Ho recognized for Cambodia continued to bear Chinese or Vietnamese names (Yang Siu-heng, Son Ngoc Minh),[25] the thousand or two rank and file to comprise Cham, Malay and hill-tribe minorities living astride the Vietnamese and Laotian frontiers.[26] Cambodia's distance from the centre of Communist power in Indochina, coupled with a clandestine movement's difficulties of communication, must further have hampered direct recruitment and resigned Ho Chi Minh and his comrades to flattering the 'bourgeois nationalism' of King (later Prince) Sihanouk, and the Cambodian intelligentsia forming his 'Royal Socio-Buddhist' government, in expectation of edging them

[23] The statement translates *Lao/Khmer Issara* as 'Patriotic Front'. 'Patriotic', like 'free', is a propaganda rendering dictated by the vogue of the moment.

[24] *Le Monde*, 31 March 1978, and *FEER*, 21 April 1978.

[25] e.g. *Vietnam Information* (Rangoon), 4 May 1951, and W. Burchett, *Mekong Upstream* (Hanoi: Foreign Languages Publishing House, 1957), p. 113. Son Ngoc Minh also turned up at Geneva in that capacity.

[26] M. Laurent, *l'Armée au Cambodge* (Paris: Armand Colin, 1968), p. 45.

piecemeal into alignment with Hanoi and eventually 'federated autonomy'. The present Communist leaders in Phnom Penh thus did not receive their baptism in the movement from hands inheriting the succession from the old Comintern, as did all the other Marxist-Leninists in power in Indochina, but seem to be 'ideological Communists', self-converted rather than subverted while students in France 20 or more years ago, who found it easy to come and go among the factions at home under the tolerant régime of the Prince while they nursed their dreams of power and waited for the main chance.[27] Pol Pot claims to have founded the present Cambodian CP, with unnamed others, in 1960 and to have taken over the secretary-generalship, somewhere in the borderlands occupied by the People's Army manning the Ho Chi Minh trail, in 1963, after the murder of his predecessor in a purge.[28] Evidently we are meant to believe that his Party is not the *Pak Pracheachon* (People's Party) notionally founded by the ICP/VWP in 1951 and reviled by Sihanouk when he was in power as the ICP/VWP by another name, but the 'Organization' from which all authority was mysteriously said to flow after the surrender of Phnom Penh and until September 1977.[29]

Vietnam and the Brezhnev doctrine

Although it is hard to unravel the facts, Pol Pot's charges sound as if he has been offered by Le Duan, but has declined, a Treaty of Friendship and Co-operation on the terms Laos entered into in July 1977—'strict respect for national sovereignty', but availability of the smaller state's territory for manœuvres of the bigger state's armed forces and, to judge from the fulsome expressions of military solidarity, integration of the two high commands on Warsaw Pact lines.[30] The practical effects of the 1977 Laotian treaty include a People's Army garrison on the Plain of Jars in eastern Laos—an occupation of territory that has been almost continuous for a quarter of a century—numbering, it is alleged, not fewer than 100,000, besides 50,000 new peasant settlers from Vietnam.[31] There is at present no external threat to Laos, of course, still less to Vietnam through Laos, and it is therefore by the needs of combined internal security that we must assume the treaty is justified in the two signatories' eyes; although hundreds of thousands of Laotians have fled abroad from the Communist régime, and close to 200,000 are under detention, dissidence at

[27] F. Debré, *Cambodge, révolution de la forêt* (Paris: Flammarion, 1976), pp. 77–95. This explanation is, except for a few details, borne out by Pol Pot's account of himself broadcast by Phnom Penh on 20 March 1978 (SWB/FE/5772).

[28] Statement to visiting Yugoslav journalists, *Tanjug*, 18 March 1978.

[29] 'Organization' was the ICP's pseudonym too from 1945 to 1951. The *Pak Komunis Kampuchea* was first named by Radio Phnom Penh on 24 September 1977 (SWB/FE/5624).

[30] Though signed at Vientiane on 18 July 1977 and ratified by the SRV on 15 September, the text has not been published for information of the masses.

[31] The figures here and in the following sentence are taken from *Le Figaro*, 6 January 1978.

the time of the treaty was still necessitating strong guards on buildings and work sites, whilst garrisons in the open country could not be trusted not to enter into private non-aggression pacts with the dissidents.[22] The Democratic People's Republic of Laos's package of treaties with the Socialist Republic of Vietnam included one on development and aid—the SRV took over mineral extraction in 1975—and a third on mutual respect for the frontier; these have not been published either, but in the absence of texts it is reasonable to expect that they too, on Comecon precedent, reflect the realities of Vietnamese dominance and Laotian dependence—not least for supplies of basic food[23]—but also contain advantages for Kaysone Phomvihan, the Party Secretary-General and Premier, through the protection afforded by the fraternal garrisons. On the other hand, the identity of Laos as a separate state gives Indochina an extra voice in world affairs (for instance, in the United Nations, to which the SRV has only just been admitted, whereas Kaysone took over the Royal Lao seat in 1973) and a second channel for the procurement of Western aid and food. It is a matter of conjecture whether Vietnam is ever likely to find occasion to act in Laos literally on the Brezhnev doctrine—that is, 'if restoration of a capitalist régime were threatened' there—but when one recalls the variety of policies liable arbitrarily to be damned by those words in China during the Cultural Revolution, Pol Pot may have judged that armed hostility is safer for his régime than fraternal co-operation on the Laotian example.

Whether the Laotian frontier treaty entails rectifications to Vietnam's advantage, long demanded, is unascertainable but may be known to Pol Pot; he may know of clauses that parallel Czechoslovakia's cessions to the USSR, and that knowledge could have a bearing on his rejection of SRV offers to negotiate a frontier treaty with Cambodia, for he explains his obstinacy, after preliminary negotiations during 1975 and 1976, merely by the untrustworthiness of the Vietnamese allies who brought him to power; they accuse him of singling out for liquidation Khmers Rouges who did most to help him.[24] Many factors went to put him in a position of independence in victory despite dependence in struggle. One of them was Le Duan's obligation under the Paris Peace Agreement on Vietnam, if American public opinion was not to be reanimated, to withdraw PAVN combat units from both Laos and Cambodia during 1973. Because there was no cadre of Cambodian Communists able to take over successive parts of the country as they were conquered, and Hanoi's failure to get general international recognition for Sihanouk's Peking government-

[22] *Siang Pasason* [Voice of the People], quoted Radio Vientiane, 15 August 1977 (SWB/FE/5593).

[23] It is expected that 60 per cent of the 100,000-ton shortfall in rice will be supplied by Western countries through the World Food Programme (not contributed to by Communist powers): *FEER*, 3 March 1978.

[24] Radio Hanoi, 10 May 1978 (SWB/FE/5811).

in-exile ruled out transfers of loyalty to the Communist side through him by the civil service under Lon Nol,[35] Pol Pot, relying on his bloodthirsty horde of brutalized adolescents,[36] was left all but sole master of the country.

The Communist balance of power

Pol Pot's foreign policy appears as negative as his domestic policy in the expressed service of proletarian dictatorship and democratic centralism and more fundamentalist than even Mao Tse-tung's (no public administration, no public services,[37] no money, no home cooking): he has extracted an explicit renunciation of the Indochina Federation from the SRV—though not of the Brezhnev doctrine[38]—but has proposed no alternative system of relations. Other Communist powers evince discreet disapproval of the frontier fighting—though only the Vietnamese have condemned the domestic slaughter, to add credit to their own complaints about border atrocities, whereas the Russians dismiss it as untrue.[39] Russia and China, notwithstanding denials, seem to have attempted to mediate, and more recently the Yugoslav Foreign Minister, M. Minić, tried in the name of non-alignment,[40] but to no avail. As the two major powers concentrate their aid programmes, the USSR on Vietnam and Laos, the Chinese People's Republic on Cambodia (although uncompleted Chinese wartime projects in Laos and Vietnam[41] are still going on), there are grounds for suspecting that Chinese leaders welcome enough tension between Vietnam and Cambodia—and friendliness between Cambodia and Thailand—to offset the growth of Vietnamese martial might, recently engaged on the Chinese frontier, too.[42] An end to the frontier raids will not by itself solve the Cambodia problem for the SRV, however. The two halves of Vietnam when it is divided neither feel the need nor dispose of the resources to dominate Laos and Cambodia, but geography outlives changes of ideology and repeats the im-

[35] See Dennis J. Duncanson, 'One year of peace in Indochina', *The World Today*, March 1974, p. 98.

[36] He boasts that they have been multiplied fourfold in four months, have no chain of command and are led by 'cadres' (hardly officers) promoted after only a month in the field—two months if they are to lead a division: Radio Phnom Penh, 10 May 1978 (SWB/FE/5813).

[37] Children dig and collect nightsoil but do not study: Khieu Samphan, quoted in *The Times*, 7 February 1978; 'doctors' learn only by practising on patients: Pol Pot on Radio Phnom Penh, 28 September 1977 (SWB/FE/5632).

[38] Radio Hanoi, 7 April 1978 (SWB/FE/5785).

[39] This is in order to keep the UN Human Rights Commission out of Indochina. See *The Times*, 8 March 1978.

[40] *Tanjug*, 30 April 1978 (SWB/FE/5803).

[41] The Chinese have announced that they withdrew all their technical advisers from Vietnam on 19 May.

[42] Fifteen years ago, in contrast, Chou En-lai told the Polish Ambassador, Mieczyslaw Maneli, that he regarded the purpose of the Geneva Agreements as unification of the three countries. See Maneli, *War of the Vanquished* (New York: Harper and Row, 1971), p. 80.

peratives of history: in a unified Vietnam, Hanoi's control over Saigon and the Mekong cannot be secure if Cambodia is hostile. Nor can the VWP fulfil its declared mission to promote revolution further afield in South-East Asia[43] and, by such action against Thailand, eventually to deny that territory to Laotian dissidents.[44]

[43] Joint Lao-Vietnamese statement, 5 February 1976.
[44] Kaysone Phomvihan, Radio Vientiane, 5 March 1978 (SWB/FE/5765).

The Rhodesian internal settlement

JOHN DAY

The economic effects of guerrilla war and South African and US pressure have pushed the Rhodesian Front Government into accepting black rule; but the internal settlement remains vulnerable to erosion of black and white support within Rhodesia as well as to attack from without.

WHEN Ian Smith, for long the arch-defender of white supremacy, formally promised on 3 March 1978 to transfer power to a black government by 31 December 1978, the impossible seemed to have happened. For over 12 years after he became Prime Minister in April 1964 Smith defended and entrenched the political power of the white minority in Rhodesia. Even after he agreed in September 1976, under pressure from Henry Kissinger, the United States Secretary of State, to grant majority rule in two years' time, the obstacles in the way of its realization appeared formidable. A master of prevarication and ambiguity, Smith had not, over twelve months later, made formal arrangements to hand over power. Even after talks started in December 1977 to work out a settlement based on one man, one vote, friction between the Rhodesian Front Government and two of the African leaders taking part in the negotiations, Bishop Abel Muzorewa and the Rev. Ndabaningi Sithole, threatened to make these constitutional discussions, like so many before them, abortive. Yet formal agreement on a transitional government and on majority rule to follow it was reached, and Smith, who had so often in the past seemed to drag his feet, was now prepared to push through all the political and legal changes that the transfer of power entailed in less than ten months.

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How did Ian Smith come to this point of surrender? Until the end of 1974 there was not the slightest prospect that the white minority Rhodesian Government would accept majority rule. The British Government attempted unsuccessfully, both before and after the Unilateral Declaration of Independence in November 1965, to negotiate with the Rhodesian Front Government a constitutional settlement that would concede enough to the Africans to enable Britain to recognize the independence of Rhodesia, but none of the constitutional arrangements discussed by the two Governments would have brought majority rule until the distant future.[1] Then, at the end of 1974, South Africa put pressure on the Rhodesian Government to reach a political agreement with the country's African nationalist leaders. Smith was obliged to reverse his policy of the previous ten years of treating the nationalist leaders as dangerous criminals, and to release them from detention. In August 1975 Smith met the African leaders at the Victoria Falls in a brief conference which achieved nothing.[2] One faction of the nationalists, led by Joshua Nkomo, was prepared, nevertheless, to go on trying to reach a satisfactory settlement with Smith. Consequently, talks took place between October 1975 and March 1976, which, predictably, ended in failure. The South African attempt to force Smith into yielding major concessions to his African opponents seemed to have failed. Then Kissinger, collaborating with South Africa, decided to put the screws on white Rhodesia. In September 1976 Smith announced that he would concede majority rule in two years' time, provided that his Rhodesian Front could keep the key Ministries of Defence and of Law and Order in the interim government, in which black and white would share power. At the Geneva Conference, which was held between October and December 1976 to work out more details of the transition and the new constitution, disagreement between the Rhodesian Front and the African nationalists was implacable. The Africans insisted that they should control the interim government. The Rhodesian Front rejected this and the compromise proposed in January 1977 by the British mediator, Ivor Richard, whereby a representative of the British Government would play an arbitrating role in a multi-racial interim government.[3] Once again the prospect of majority rule seemed to recede further into the future. Smith continued to talk about his intention of achieving a settlement, but he seemed to hope for several months that he could obtain an agreement to a constitution under which not all Africans would have the vote and the

[1] See Claire Palley, 'No majority rule before 1999', *The Guardian*, 14 November 1968; and the same, 'Blacks' best hope—a majority in 2035', *The Sunday Times*, 28 November 1971.

[2] For background, see Elaine Windrich, 'Rhodesia: the challenge to détente', *The World Today*, September 1975.

[3] See Elaine Windrich, 'Rhodesia: the road from Luanda to Geneva', *ibid.*, March 1977.

government would be multi-racial. However, from September 1977 Smith appeared to accept the inevitability of one man, one vote, and black government.

White Rhodesian motives

Why did Smith agree to abandon the power of the white minority in government? One possible answer is that he offered the Africans self-government to stop the guerrilla war, which has been fought to achieve this end. Sporadic incursions into Rhodesia by African nationalist guerrilla bands between 1964 and 1972 alarmed the white population without posing any major threat to security or the economy. From the end of 1972 the guerrilla war became much more serious, as one of the African nationalist parties, Zanu (Zimbabwe African National Union), sustained a campaign into the north-east of Rhodesia from Tete province, Mozambique, which was controlled by Frelimo guerrillas who were fighting the Portuguese rulers. The unprecedented scale and efficiency of the Zanu guerrilla activity in the north-eastern area stretched the resources of the security forces and the white economy. The independence of Mozambique under a Frelimo government from June 1975 opened up the whole 764 miles frontier between Rhodesia and Mozambique to penetration from Zanu guerrillas. In 1976 Zanu, which then had, according to some estimates, an army of 15,000 guerrillas and trainees in and out of Rhodesia, significantly intensified the war. The Rhodesian security forces lost twice as many men in 1976 as in the previous three years together. It may have been no coincidence that this was the year in which Smith announced his acceptance of majority rule in two years' time. In 1977 the number of guerrillas operating within the borders of Rhodesia continued to increase, until by the end of the year there were estimated to be about 4,000. Of these, about 500 owed allegiance to Nkomo's Zapu (Zimbabwe African People's Union), which operated from Zambia. In 1975 Zapu guerrillas had been few in numbers and insignificant in their impact, but two years later Nkomo had built up a well-equipped army of, possibly, 10,000 men, which, if it were fully committed to action, would greatly increase the Rhodesian army's difficulties in defending the country. This danger may have helped persuade Smith to move at the end of 1977 towards a formal commitment to black rule. On the other hand, the guerrillas have not yet defeated the Rhodesian forces, who are still able to contain, although not to keep out or defeat, the insurgents. From late 1972 to September 1977 the security forces, according to their official figures, lost only 418 men while killing 3,076 guerrillas. Several times Rhodesian soldiers have struck devastatingly at guerrilla bases in Mozambique and Zambia. So the seriousness of the military situation for the security forces should not be exaggerated. However, the Smith Government recognized that, while the army might continue

to hold its own for several years longer, especially if the divisions that existed among the guerrillas continued, the war could not be won. A political settlement, therefore, was the only way to end the military threat.

Yet the Rhodesian Front Government was probably pushed towards political concessions more by the effects of the guerrilla war on the economy than by the impossibility of defeating the guerrillas. Call-up to the army over recent years has progressively reduced the white civilian work force. Men in the 18–38 age group, after an initial period of 18 months' service in the army, were by the middle of 1977 liable to be called up for seven months in each year, and those from 39 to 50 could be away for ten weeks in a year. The effects on the economy have been serious, some firms having to manage with less than half their strength. The gross national product fell in real terms by 3 per cent in 1976 and a further 7 per cent in 1977. In February 1978 industrial production was at its lowest since 1971.[4] The deteriorating economic situation created by the war has been exacerbated by the general decline in world trade and the accumulating effects of economic sanctions imposed against Rhodesia since UDI, which have led to a drastic shortage of foreign exchange. In 1977 Rhodesia suffered the worst terms of trade since 1965. Within recent months Rhodesia has twice been obliged to devalue, in October 1977 and April 1978. Defence spending in 1976 increased by 40 per cent over the previous year, so that it then formed 25 per cent of the total budget. In 1978 this proportion rose to 40 per cent, the war now costing at least £630,000 a day.[5] The expense of the war has been partly financed by loans from abroad and some businessmen have forecast that Rhodesia cannot service these loans much longer. Faced with a declining economy, an uncertain future and a heavy burden of military service, many white Rhodesians have emigrated in the last two years, in spite of strict legal limits on how much money they can take with them. Rhodesia had an excess of white immigrants over white emigrants until 1976, when the country suffered a net loss of 7,072 from a population of about 280,000. In 1977 even more white people left, the annual figure rising to 10,908.[6] With these growing problems of a battered economy and a depleted population, white Rhodesia needed either an end to the guerrilla war or economic help from abroad, neither of which would come without the Rhodesian Front giving up power to a black government.

Yet Ian Smith has strongly hinted that his Government's acceptance of a rapid move towards majority rule resulted from pressure exerted

[4] Roger Riddell, 'Zimbabwe after Smith', *The Guardian*, 10 April 1978.
[5] *ibid.* See also the statement by David Smith, the Minister of Finance, to the Rhodesian Parliament, 21 September 1977 (*The Times*, 22 September 1977); and Michael Raeburn and A. R. Wilkinson, *Black Fire!* (London: Julian Friedmann, 1978), p. 238.
[6] See *Monthly Digest of Statistics*, February 1978 (compiled and issued by the Central Statistical Office, Salisbury, Rhodesia).

by South Africa and the United States rather than from the economic difficulties caused by the war. South Africa has great power over Rhodesia, because, since UDI, Rhodesia has depended heavily on South Africa for survival. Since 1965 South Africa has been Rhodesia's main ally in beating sanctions and since early 1976 the only two unblocked rail routes from land-locked Rhodesia ran into South Africa. As virtually all Rhodesia's trade with the outside world has to go through South Africa, South Africa can easily throttle the Rhodesian economy. Furthermore, as South Africa is believed to pay about half of Rhodesia's defence bill,[7] South Africa has the means to paralyse Rhodesia's war effort. In 1974 South Africa used its stranglehold on Rhodesia to make Smith move towards discussing constitutional change with the nationalists. Although the South African and Rhodesian Governments had similar racial policies, John Vorster, the South African Prime Minister, pressed Smith hard to yield to the nationalists, because South Africa wished to stop the guerrilla war across its northern border, to obtain an African government in Rhodesia that would act less aggressively towards South Africa than any that victorious guerrillas would eventually form, and to strengthen good relations with black Africa. In 1976 Dr Kissinger, anxious to prevent the Rhodesian guerrillas setting up another Marxist state in Southern Africa like Angola and Mozambique, exploited South Africa's reliance on American economic and diplomatic support to make South Africa push the Rhodesian Government even harder than before and force it into promising majority rule. One can only guess at the strength of United States and South African pressures on Rhodesia since 1976, but it is probable that these two powers warned Smith in 1977 that they would not be satisfied with the type of majority rule that Smith was contemplating, which would have kept some whites in government and denied some blacks the vote.

Reaction to the Anglo-American proposals

By the end of 1977 Smith had decided that African rule was unavoidable, whether because of the crippling expense of the guerrilla war, or, as seems more likely, because of heavy pressure from South Africa. However, he intended to secure a settlement more favourable to his white constituents than the Anglo-American proposals put forward in September 1977 by Dr David Owen, the British Foreign Secretary, and Andrew Young, the American Ambassador to the United Nations. According to their plan, the Rhodesian whites would give up control of the government and the army as soon as a cease-fire in the guerrilla war had been agreed. The Rhodesian Front Government would hand over its power to a British Resident Commissioner, Lord Carver, who, during the transition

[7] Raeburn and Wilkinson, *op. cit.*, p. 42, quoting *The Financial Times*, 1 November 1976; and *The Guardian*, 1 February 1978.

from white to black government, would supervise the conversion of the white-led army into a new force retaining a few of its present soldiers, but manned mainly by ex-guerrillas. Smith opposed these proposals because he feared that the political leaders of the guerrillas, Joshua Nkomo and Robert Mugabe, would be able, once the Rhodesian Front and its army were emasculated, to ignore white interests when working out the details of the majority rule constitution. So Smith decided to negotiate with those African leaders who were prepared to dissociate themselves from the guerrillas, in the hope that he could reach an internal settlement that would give the Rhodesian Front considerable power in the transitional government and preserve the white-officered army up to and beyond the date when a black government took over. The agreement that Smith reached with Muzorewa, Sithole and Chief Jeremiah Chirau set up an Executive Council of these four and a Ministerial Council of 18, with one white Minister and one black Minister sharing responsibility for each of the nine departments of government. The internal settlement, although planning a black government, aimed at keeping white influence in the new state. Twenty-eight seats out of a hundred in the legislature would be reserved for white representatives for at least ten years. The civil service, police and defence forces would be 'maintained in a high state of efficiency and free from political interference', viz. whites would hold their present positions. While giving the Africans genuine majority rule, Smith managed to prolong white management of the principal institutions of the state, other than the legislature and the government.

The internal settlement had another attraction for Smith, for, by achieving it, he outmanœuvred the British Government. Rhodesian whites for long resented Britain's refusal to recognize Rhodesia's independence. To them it seemed that a decadent Britain self-righteously and ignorantly interfered with a Rhodesian government trying to uphold civilized standards. Thus, when Smith unexpectedly achieved an internal agreement, he gained great satisfaction from upstaging Owen, whose proposals for Rhodesia had received world-wide publicity. Smith at least appeared to show that Rhodesians could settle their own affairs without British assistance and could agree on a transitional government in which a British representative had no role. Just as UDI was primarily a gesture of self-assertion (the whites already controlled the government and, therefore, needed independence only to satisfy their pride), so the signing of the internal agreement was an expression of self-determination, made paradoxically in the very act of abandoning it. Smith may even have over-estimated the internal settlement's chance of success because of its attraction as a way of defying Britain.

Prospects

The danger for the Rhodesian Front is that the internal settlement may

not attain the ends which alone would justify the sacrifice of power that the white rulers are making. To satisfy South Africa and the United States and to relieve the economic strains of Rhodesia, the settlement must stop the guerrilla war, but it is doubtful if it can do this. The political leaders of the guerrillas, Nkomo and Mugabe, who are allied in the Patriotic Front, have strong motives for not recognizing the validity of the internal settlement and continuing to fight. They feel that under the agreement the whites have too much power both in the transitional period and after the introduction of universal franchise. Also, they distrust the settlement, almost irrespective of its terms, just because Smith, who proved so intransigent and cunning in the past, voluntarily agreed to it. Mugabe and Nkomo have, too, self-interested reasons for rejecting the internal settlement. Mugabe has operated outside Rhodesia since 1975 and has little organized support there. Nkomo does have a well-organized party within the country, but is probably less popular than Muzorewa.[8] Consequently, Mugabe and Nkomo might not do well in free elections. Their best strategy is, therefore, to win power through guerrilla military victory, or, using the leverage of their guerrilla support, to secure by negotiation from the British and the Americans a guaranteed place in the first African government. If Nkomo and Mugabe did come back to Rhodesia to compete in elections, which the transitional government would allow them to do if they ended the guerrilla war, they might lose face with the African people, having returned to work under the aegis of a constitution that they had no part in designing and which they initially rejected. If the guerrillas fight on even after an African government has been elected, the black leaders of new Zimbabwe may receive as little international recognition as the white leaders of old Rhodesia. Many states would not lift economic sanctions unless the guerrillas recognized the legitimacy of the new government. The Rhodesian whites could find that the present insecurity and deprivations persist, while the only change is the substitution of an inexperienced black government for an experienced white one. The effect of these circumstances on white emigration could be dramatic.

Muzorewa and Sithole, however, are hoping to persuade most of the guerrillas that they should stop fighting, as majority rule has been won. Their chances of success do not seem great, because, although Muzorewa and Sithole claim the allegiance of many guerrillas, they command none and may be able to influence few. Their attempts in the first few weeks of the interim government to persuade guerrillas to lay down their arms and return home were not very successful. Some guerrillas may listen to the appeals of the black Ministers, but most will probably follow the

[8] On the following of the various nationalist leaders, see John Day, 'The divisions of the Rhodesian African nationalist movement', *The World Today*, October 1977.

advice of Nkomo, Mugabe or one of the guerrilla commanders, like Josiah Tongogara. Some people believe, because of Nkomo's past reputation for compromise, that he might be induced to co-operate in the internal settlement. If he did, he would be able to persuade many, but probably not all of the Zapu guerrillas to accept a peaceful solution. However, it is difficult to envisage Mugabe, who wants Smith tried and shot as a war criminal, or the Zanu guerrilla commanders, who regard Smith as the epitome of evil, accepting the internal settlement. The Zanu guerrilla war is, therefore, likely to continue.

The probable continuation of the guerrilla war is not the only obstacle that stands in the way of success of the internal settlement. The black leaders in the transitional government have to be very careful that their co-operation with the Rhodesian Front does not antagonize a majority of the African population. While the guerrillas continue to fight, Muzorewa and Sithole as members of the interim government cannot easily escape some responsibility for the continued defence of the country by the army against the guerrilla incursions. Yet most Africans, no matter which nationalist leader they support, sympathize with the guerrillas, who have been fighting for African self-government. Muzorewa, who has been the most popular African leader, has the problem of trying simultaneously to work in government with the Rhodesian Front, who regard the guerrillas as terrorists, and to keep the support of the Africans, who see the guerrillas as heroes. The African Ministers cannot afford, if they are to retain the support of their followers, to accept uncritically the policies of their Rhodesian Front colleagues in any area of government. Yet the interim government cannot change all the discriminatory laws immediately. Furthermore, the white Ministers may be able through their long experience of government to outmanoeuvre their inexperienced black colleagues. The dangers for the Africans in the transitional government were demonstrated in April 1978, when the Executive Council dismissed Byron Hove, one of the Ministers nominated by Muzorewa, for stating that Africans should be given preference in promotions in the police force and that some white judges might have to be removed. These statements were interpreted as violations of the terms of the constitutional agreement. If Africans feel that such an incident indicates the weakness of the black Ministers and if they believe that the Africans in government are implicated in the war against the guerrillas, Muzorewa and Sithole could find that they have little support in the elections. If many Africans refused to vote, the resulting government would be unrepresentative and would not win international recognition.

The opposite danger to the settlement comes from the possibility that Muzorewa and Sithole, in order to maintain a militant reputation with their African followers, may feel obliged to resign from the transitional government, if the Rhodesian Front Ministers insist on some policy that

demands a serious compromise of African nationalist principles. Muzorewa's threat to withdraw from the government if Hove was not reinstated illustrated the possibility. If the Bishop had left the interim government, the internal settlement would have been worth little, because the other two African leaders, Sithole and Chirau, command relatively little support.

If the blacks do not undermine the settlement, the whites might. Smith has promised the white electorate a referendum on the proposed constitution. They will probably follow Smith's advice and accept majority rule as an unavoidable necessity, but they could become anxious at such policies of the transitional government as allowing guerrillas to return home unpunished, and refuse to ratify the internal agreement. Smith has been able to persuade the parliamentary caucus of the Rhodesian Front and right-wing Cabinet colleagues, like Pieter van der Byl, of the necessity of moving to black rule, but it is still possible that the rank and file membership of the party, who were very influential in the early 1960s,[9] might re-assert themselves against the leadership.

[9] Larry W. Bowman, *Politics in Rhodesia* (Cambridge, Massachusetts: Harvard University Press, 1973), pp. 91–109.

Principles and practice in Mozambique's foreign policy

ROBERT D'A. HENDERSON

As the People's Republic of Mozambique enters its fourth year of independence,[1] its foreign policy reflects a cautious combination of idealism and pragmatism with three main objectives as embodied in the Constitution (Article 4): to consolidate national independence, to perform what it conceives as its internationalist duty, and to create a strong regional economic bloc. Given the realities of Mozambique's grossly underdeveloped economy and lack of major sources of revenue, the new Government has recognized the importance of regional economic unity with its neighbouring political allies. The alliance with Tanzania and Zambia, in particular, serves not only to promote the struggle against economic exploitation and racism but also to defend and strengthen Frelimo's internal political control.

[1] The *República Popular de Moçambique* was declared by the Portuguese-speaking *Frente de Libertação de Moçambique* (Frelimo) on 25 June 1975.

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The liberation movement, Frelimo, began its guerrilla action in Mozambique in September 1964 against the Portuguese colonial administration. During the ten-year war which followed, one of the clearest statements on its foreign policy before independence was made in its own publication, *Mozambique Revolution.*[1] It declared two objectives as its priorities: first, to break the 'curtain of silence intentionally thrown around Portuguese colonial rule' in Africa and by so doing to denounce colonialism; and, second, to establish 'friendly relations of solidarity with the anti-colonial countries and forces in the world'. But it went on to state that 'action at the international level should play a subordinate role'; while it was, of course, important, 'it should always be secondary in our struggle.' The prime aim was the launching of 'an armed revolutionary process which would lead to the complete liberation of the country'. Thus, from its beginnings, Frelimo established the principle that its revolutionary process would determine the foreign policies to be implemented.

To achieve these two objectives, Frelimo sought and received diplomatic and material support chiefly from independent Africa and the Communist countries, but the Scandinavian countries and the Netherlands also made contributions. Primarily through the institutional channel of the Organization of African Unity (OAU), which had recognized Frelimo as the sole representative of the Mozambique people as early as 1966, the African states provided Frelimo with an internationally recognized forum to denounce the Portuguese colonial system, and with substantial material and especially logistical help, either bilaterally or through the OAU Liberation Committee. In regard to the Communist countries, Frelimo declared that it looked upon them as 'our natural allies'. Developing relations with them was 'one of the cardinal points in our external relations, within the framework of strengthening the ties between all the anti-imperialist forces'.

The successful *coup d'etat* of 25 April 1974 in Lisbon by the Portuguese Armed Forces Movement against the Marcelino Caetano Government marked a new phase in the struggle for independence. As a result of meetings with Frelimo in June and July during which the Liberation Front threatened to continue the war, the provisional Portuguese Government agreed to recognize Frelimo as the legitimate representative of the Mozambican people and to transfer its sovereign powers in Mozambique to 'representative institutions of the Mozambican people, in other words to Frelimo'.[2] On 7 September, Portuguese and Frelimo delegations met in Zambia and signed what is now known as the Lusaka Accord. In the transitional period up to independence, the country was administered

[1] 'Foreign policy', *Mozambique Revolution* (Dar es Salaam), No. 51, April–June 1972, pp. 27–8.
[2] 'The road to Lusaka', *ibid.*, No. 60, July–September 1974, pp. 5–6.

within a tripartite governmental structure consisting of a Portuguese High Commissioner appointed by Portugal, a ten-member transitional Government (seven appointed by Frelimo, including the Prime Minister), and a Joint Portuguese–Frelimo Military Command. The High Commissioner was responsible for ensuring the territorial integrity of Mozambique, both from 'any serious disturbance of public order' and, jointly with Frelimo, from any external aggression. Although the Prime Minister, Joaquim Chissano, later became the Mozambican Foreign Minister, the transitional Government did not involve itself in foreign policy matters except in so far as it received trade delegations (from Swaziland, India and Zambia) and a US State Department envoy. The conduct of relations with individual states and with international bodies was managed by Frelimo. During this period, Samora Moises Machel, as Frelimo's President, visited East Germany, Bulgaria, Rumania, Congo (Brazzaville), the People's Republic of China, North Korea and Burundi, as well as Tanzania and Zambia. In April 1975, Marcelino dos Santos, the Frelimo Vice-President, visited Sweden, Finland, Norway, Denmark and the Netherlands to discuss diplomatic relations and development aid. Regarding future relations in East Africa, Machel stated in a pre-independence interview that Frelimo would welcome an economic federation of Mozambique, Tanzania and Zambia to promote 'the rapid development of this zone'.

Consolidation of the regime

The Constitution of the People's Republic of Mozambique declares that the new State and Frelimo are indivisible, and that the survival of the first depends on the second remaining the 'leading force of the state and society'. Samora Machel has assumed considerable powers which enable him to enforce the political line laid down by the Frelimo Central Committee, of which he is a member. Thus the President of Frelimo is also President of the People's Republic of Mozambique, Head of State, Commander-in-Chief of the Mozambique People's Liberation Force (FPLM) and of the armed people's militias (which are under the orders of the local FPLM commanders), as well as overseeing the National Service of People's Security (SNASP).[4] He can appoint or dismiss members of the Council of Ministers (thus controlling the operation of the national police force via the Minister of Home Affairs and the General Commander of the Police Corps), and he can also appoint or dismiss the local FPLM commanders. The main military force in Mozambique at

[4] The task of the *Servico Nacional de Segurança Popular*, created by decree on 13 October 1975, is to 'detect, neutralise and combat all forms of subversion, sabotage, and acts directed against the People's Power and its representatives, against the national economy or against the objectives of the Popular Republic of Mozambique', as reported by Bridget Bloom, 'Mozambique: Between revolution and pragmatism', *Financial Times* (London), 3 November 1975.

present is the FPLM, which is a part of Frelimo rather than of the Government.

This consolidation of authority over the state and party instruments of enforcement and defence has enabled Frelimo to establish firm political control in Mozambique, especially in the south and around Beira which were not liberated by armed struggle. At Frelimo's third Congress in February 1977 the position of the Frelimo presidency, to which Machel was unanimously re-elected, was further strengthened by abolishing the vice-presidency, which previously had been held by Marcelino dos Santos.

Internally, the People's Republic of Mozambique has been repeatedly threatened by anti-Frelimo activities and economic sabotage. In reply, the Frelimo Government has claimed that there is a worldwide destabilization campaign against Mozambique, including attempts to distribute counterfeit money within the country, the circulation of false or hostile reports in the international press and news broadcasts, and acts of 'economic sabotage' (e.g. the illegal removal of financial assets, obstruction of economic production and seizure of Mozambican assets abroad). One of the anti-Frelimo groups is the *Frente Unida de Moçambique* (Fumo), formed under the leadership of Dr Domingos Arouca, a Black Mozambican lawyer, who was jailed by the Portuguese administration for ten years as a Frelimo sympathizer. Another group reported to be trying to undermine the Frelimo Government is the 'Free Africa Movement', believed to be led by a former Beira businessman, Jorge Jardim, and acting mainly by distributing counterfeit Mozambican *escudos* to pay its agents within the country and by radio broadcasts from Umtali in Rhodesia. In December 1975, a rebellion of about 400 soldiers and police against the regime in Maputo was put down by troops loyal to the Frelimo Government after two days of heavy fighting. In his speech for the first anniversary of independence, Machel declared that 'in 1977, we [Mozambique] should see the complete elimination of banditry [counter-revolutionaries].'[5] But, at the second anniversary, the Secretary of the Ideological Department and Minister of Information, Jorge Rebelo, was still saying that the 'internal enemy, in collusion with imperialism, is trying by every means to bring down our revolutionary Government in order to institute once again exploitation and oppression in Mozambique.'[6]

In an interview in December 1976, the Mozambican Foreign Minister stated that his country's relations with Portugal were based on 'mutual respect for national sovereignty', but that the Portuguese Foreign Minister, Melo Antunes, should take effective steps to end the many anti-

[5] Maputo Home Service in Portuguese, 1055 gmt, 25 June 1976, *BBC Summary of World Broadcasts*, ME/5246/B/1.

[6] Maputo Home Service in Portuguese, 1130 gmt, 26 June 1977, *ibid.*, ME/5548/B/8.

Mozambican activities in his own country.[7] As a move to counter any anti-Frelimo activities in Portugal and also to improve the recruitment of technical personnel and trade prospects, Mozambique recently opened its third embassy abroad in Lisbon, the first and second having been established in Dar es Salaam and at the United Nations (New York) respectively. The choice of Dar es Salaam for its first diplomatic mission abroad reflected the importance Frelimo accords to President Julius Nyerere's Tanzania for both its active support during the liberation struggle and its present efforts towards greater regional economic integration and development.

Externally, Mozambique has been repeatedly attacked by Rhodesian troops engaged, according to Rhodesian military sources, in 'hot-pursuit' or 'pre-emptive attacks', penetrating up to 75 km. and lasting up to five days. As one of the 'front-line states' in Southern Africa, Mozambique has actively assisted the Zimbabwe guerrillas, thus provoking Rhodesian retaliation. The front-line leaders have declared many times that a Rhodesian or South African attack against any of them might provoke a combined military response. In August 1976, it was reported that Mozambique, Zambia and Tanzania had signed a 'mutual aid' agreement, though no such agreement has as yet been made public. President Machel has stated that Mozambique has no need of foreign troops, despite repeated reports that one or two battalions of Tanzanian troops are helping Mozambican police in the north of the country and along the Rhodesian border.

On 18 June 1977, Machel appealed to the 'entire international community to contribute towards increasing our [Mozambican] defence capacity and to reconstruction of the areas devastated by the racists [Rhodesian troops]'.[8] Ten days after Machel's appeal, dos Santos enlarged on it when he addressed the UN Security Council and asked for military equipment for the effective defence of the 1,200 km. of common frontier with Rhodesia.[9] In reply, the Security Council agreed on a compromise resolution (30 June 1977) which requested 'all states to give immediate and substantial material assistance' to strengthen Mozambique's defence capability. The term 'material' had been substituted for 'practical' so as to exclude the possibility of foreign troops being introduced—e.g. Cubans, Somalis or Nigerians.

Help for liberation movements

Since its inception, Frelimo has declared repeatedly that it would

[7] René le Fort, 'Interview with Joaquim Chissano', *Sunday News* (Dar es Salaam), 12 December 1976.

[8] *Statement to the International Community by His Excellency, Samora Moises Machel, President of FRELIMO and of the People's Republic of Mozambique* (Maputo), 18 July 1977, mimeo., p. 8.

[9] *AIM Information Bulletin* (Maputo), No. 12, July 1977, p. 23.

carry out its 'internationalist duty', which it defines as giving 'support and solidarity to the peoples for national liberation' around the world—an objective enshrined in the Mozambican Constitution. It is pledged to pursue 'a policy of strengthening relations of friendship and mutual help with young states engaged in the same battle to consolidate national independence and democracy, and to regain the use and control of their natural resources for the benefit of their peoples'. Also, it will consolidate and develop 'the solidarity with its natural allies, the socialist countries' and establish and develop 'relations of friendship and co-operation with all democratic and progressive forces in the world'.

In his opening speech to the UN International Conference in Support of the Peoples of Zimbabwe and Namibia, which was held in Maputo from 16 to 21 May 1977, President Machel declared that 'as in the past, the People's Republic of Mozambique carries out its internationalist duty in relation to the liberation struggle of all peoples and in particular the peoples of southern Africa.' In fact, a 'Bank of Solidarity' had been set up on 3 February 1977 to give financial meaning to Mozambique's declaration of solidarity with the various liberation struggles. Every person in Mozambique would donate one day's pay each month and these contributions would be channelled into aid to the 'oppressed peoples of the world', priority being given to the liberation movements in Zimbabwe, Namibia and South Africa.

As one of the 'front-line' Presidents, Machel has attended the frequent front-line summits as well as the meetings of the OAU Liberation Committee of which Mozambique is a member. In agreement with the other front-line states, in September 1975 Mozambique granted military staging bases to the Zimbabwe People's Army (Zipa), which is now the military wing of the Zimbabwe Patriotic Front (the alliance between Joshua Nkomo's Zapu faction and Robert Mugabe's Zanu faction). Machel called for the recognition of the Patriotic Front as the sole representative of the Zimbabwean people by the five front-line states at their summit meeting in Lusaka on 28 January 1977; later he urged the OAU to grant the same recognition and the resultant material and diplomatic support. In April 1977, the Patriotic Front was allowed to open regional offices in Maputo.

As a consequence of permitting the establishment of Zipa guerrilla bases on its territory as well as Communist arms shipments and Chinese military instructors, Mozambique has found itself in a 'state of war' with Rhodesia. On 3 March 1976, the People's Republic closed its border with Rhodesia and began imposing UN sanctions. In 18 months, according to Frelimo, 1,432 persons, including 1,001 Zimbabwean refugees, had been killed by Rhodesian troops inside Mozambique. One attack on a UN refugee camp at Nyazonia was reported to have left over 675 Zimbabwean refugees dead, and Rhodesian ground and air attacks have

resulted in the destruction of villages, roads and bridges in the frontier areas. Though the border closure cut the Rhodesian railway links to the ports of Beira and Maputo, which at one time handled an estimated 85 per cent of Rhodesia's import–export trade, it also resulted in drastic losses of revenue and jobs in the transport sector of the Mozambican economy and remittances from Mozambican workers in Rhodesia. According to Machel, 'we did it [the closure of the border] at this precise moment because the freedom fighters and the people of Zimbabwe are organized to fight against the Smith regime, so the conditions were ripe for the application of sanctions.'[10]

Mozambique has granted recognition and support to the South West African People's Organization (Swapo) in its struggle in Namibia. At the May 1977 UN Conference in Maputo, Machel stated that it was with Swapo that the South African Government must discuss the process of the transfer of its powers in Namibia rather than support a division of the territory among the different ethnic groups; he also called for the integration of Walvis Bay (the major port which is currently governed as an integral part of South Africa) into an independent Namibia. In relation to the African National Council of South Africa (ANC), Mozambique has repeatedly declared its solidarity with the South African struggle and has allowed its members freedom of movement in Mozambique. But although the ANC has been given offices in Maputo, there is no indication that it has been granted guerrilla bases for incursions into South Africa.

During the 1975–76 Angolan civil war, the Frelimo Government closely aligned itself with the Popular Movement for the Liberation of Angola (MPLA) and its Government in Luanda, in terms of both diplomatic and material support. Mozambique established and actively collected money, including a compulsory deduction of one day's pay from all civil servants, for an MPLA solidarity fund; furthermore, it was among the first countries to recognize the People's Republic of Angola (the MPLA Government), though it should be noted that the MPLA, Frelimo and PAIGC (the liberation movement in Portuguese Guinea) had maintained a close solidarity since April 1961 through the Conference of National Organizations of the Portuguese Colonies (CONCP). At the OAU Extraordinary Summit in January 1976, Mozambique called for the immediate recognition of the People's Republic of Angola; failure to do so, Machel said, would be tantamount to siding with the enemies of Africa. Both Mozambique and Guinea-Bissau had threatened to leave the OAU unless the MPLA Government was recognized.[11] During the period of the Angolan civil war, there were reports that Frelimo troops

[10] David Martin, 'Machel: "Cubans not needed in Rhodesia"', *The Observer* (London), 28 March 1976.

[11] Nicholas Ashford, 'Two Angolan motions before divided OAU', *The Times* (London), 12 January 1976.

had been sent to assist the MPLA, but these reports were denied by Frelimo leaders.

Ties with Communist countries

Another aspect of Mozambique's self-perceived internationalist duty is to maintain and strengthen its ties with the Communist countries. Diplomatic relations have been established with them and Machel has personally visited most of their capitals. Mozambique has yet to open an embassy in any Communist country, but this could be the result of lack of finances and trained personnel. A major step towards this objective was the signing of the 20-year Treaty of Friendship and Co-operation between the Soviet Union and Mozambique on 31 March 1977.[12] This treaty, which aims to strengthen the economic, technical, defence and cultural links between the two countries, is the third Friendship Treaty that the Soviet Union has signed with an African country, the others being with the Somali Democratic Republic (11 July 1974) and the People's Republic of Angola (8 October 1976). But, unlike the MPLA, Frelimo did not sign a party-to-party agreement with the Soviet Communist party (CPSU), even though it had recently formed itself into a Marxist-Leninist vanguard party of workers and peasants; it was reported, however, that Machel had called for 'party ties' between Frelimo and the CPSU during his May 1976 visit to Moscow.

Despite China's interest-free loan of US$56 m. to Mozambique (presented on 2 July 1975), no such general agreement has been signed between them. Part of the reason is that China had supported the policy of 'no foreign involvement' in the Angolan civil war, while Mozambique, like the Soviet Union, supported military assistance (including Cuban soldiers) to the MPLA. Due to the repeated Chinese accusations against the Soviet Union, China lost much of the influence it had gained as a result of its material support during Frelimo's armed struggle. But China has continued to provide 'active support' to the Zimbabwe Patriotic Front through Zanu and the OAU, even though Zapu continues to receive Soviet aid. It should be noted that the Soviet–Mozambique Friendship Treaty explicitly states that the Soviet Union respects Mozambique's policy of non-alignment (Article 5), which can be seen to have as much relevance to the Sino-Soviet dispute as to the Cold War.

Regional economic development

In its Constitution, Mozambique has declared that it will pursue a policy of close relations with newly emancipated states which are also attempting 'to regain the use and control of their natural resources for

[12] For the text of the Treaty of Friendship and Co-operation between the USSR and the People's Republic of Mozambique, see *Soviet News* (London), 19 April 1977. The Treaty was ratified on 11 June 1977.

the benefits of their peoples'. At the 3rd Congress of Frelimo, Machel stated that Mozambique had 'now established mechanisms for co-operation in numerous fields and for a concerted policy of economic development' with Tanzania and Zambia and would do so 'in the near future' with Angola.[13] He also spoke of friendly co-operation in the fields of economic affairs, transport and communications with Swaziland, Lesotho and Botswana. The absence of any mention of Malawi lends support to the view that relations between the Malawian President, Dr Banda, and Frelimo continue to be strained.[14]

In an appeal to the UN for assistance to offset the adverse effect of the closure of the border with Rhodesia, Mozambique's Foreign Minister, Joaquim Chissano, declared that his Government had 'embarked on the complete dismemberment of the economic system it had inherited from the Portuguese—in full knowledge of what this meant to all the countries in the region, and not just Rhodesia'.[15] This policy of encouraging regional economic development, which attempts to break down the colonial pattern that gave the maximum benefit of any economic development to either Rhodesia or South Africa, has been enthusiastically implemented as the Frelimo Government has entered into numerous bilateral agreements and created several trans-governmental commissions with its two regional neighbours, Tanzania and Zambia.

On 7 September 1975, Mozambique and Tanzania concluded agreements which established a joint Commission of Co-operation between the two countries. One clause of these agreements took into account the possibility that other African countries might wish to co-operate in 'mutually advantageous undertakings',[16] Zambia and Swaziland being the obvious possibilities. The joint Commission met in April and December 1976, with both countries taking steps to make their economies complementary while reducing their expenditure on research and development projects by cutting out duplication. Plans have been drawn up to co-ordinate development projects for both sides of the Rovuma River on the border between Mozambique and Tanzania, as well as for the construction of the 'Unity Bridge' across the Rovuma, sited between Masuguri on the northern bank and Negomano on the southern. With the construction of the planned all-weather tarred roads, the bridge will provide the first major overland link between the two countries' road systems. An air link between Maputo and Dar es Salaam has also been inaugurated;

[13] Samora Moises Machel, *O Partido e as classes trabalhadoras Moçambicanas na edificação de democracia popular* (Maputo: Departamento do trabalho Idelogico da Frelimo, February 1977), p. 86.

[14] See Robert D'A. Henderson, 'Relations of neighbourliness—Malawi and Portugal, 1964–74', *Journal of Modern African Studies*, Vol. 15, No. 3, September 1977, pp. 425–55.

[15] *The Star Weekly* (Johannesburg), 27 March 1977.

[16] Della Denman, 'Mozambique and Tanzania set up Co-operation Commission', *Financial Times*, 9 September 1975.

with the collapse of East African Airways,[17] Mozambique's Deta airline has increasingly assisted in maintaining Tanzania's air transport needs. In March 1977, it was agreed in principle to use civil aviation and telecommunications facilities available in both countries for their mutual benefit.

Trade between the two countries during Mozambique's first year of independence jumped from nil to US$7 m., making Mozambique the third largest African trading partner of Tanzania. Between them they produce 75 per cent of the world's cashew nuts and 80 per cent of the world's sisal. Attempts are being made to co-ordinate the marketing of these export crops through the joint Commission. To prevent exchange controls from delaying or obstructing their efforts to encourage bilateral trade, Tanzania and Mozambique have agreed to allow their currencies, which are non-convertible, to be used to pay for imports from each other.[18]

Following the example of Mozambican–Tanzanian co-operation, Samora Machel and Kenneth Kaunda announced on 21 April 1976 that Mozambique and Zambia had formed a joint permanent co-operation commission. Machel stated that the commission would establish 'how Zambia and Mozambique could benefit from each other's natural resources' and that it was only through co-operation that the 'capitalist tendencies' in the fields of economics, culture and technology could be removed.[19] It was also agreed that Tanzania could share in the benefits of this co-operation. Prior to this, Zambia had lent Mozambique US$4·5 m. to assist it in its application of UN sanctions against Rhodesia. The first major trucking road between Mozambique and Zambia was opened in July 1975, permitting transport haulage from Zambia straight through Mozambique to the port of Beira. On 18 March 1977, Zambia lent Mozambique US$6·028 m. to have the road upgraded and tarred to meet all-weather standards. Both Presidents have repeatedly mentioned the possibility of a rail link via Zomba (on their common border) and north of the Cabora Bassa Lake; but Malawi has already arranged for a loan to cover the construction costs of a rail link from Lilongwe to the Zambian border where a Zambian rail link will connect it to the Tan-Zam Railway. A commercial co-operation agreement with Zambia was signed in Maputo on 18 May 1977 to encourage trade; this trade pact will be covered by the permanent commission.

The only other Black African state bordering on Mozambique, Swaziland, twice sent representatives during 1976 (in April and August) to

[17] For the break-up of the East African Community and its aftermath, see Richard Hodder-Williams, 'Changing perspectives in East Africa', *The World Today*, May 1978.

[18] David Martin, 'Meeting African Needs', *The Observer Foreign News Service* (London), No. 35831, 15 March 1977.

[19] *Times of Zambia*, 22 April 1976.

confer with the Frelimo Government about trade and the rail link to the port of Maputo. At present, this is Swaziland's only transit link to a seaport for its export of iron ore, chrome ore, clay and coal. But a new 95-km-long rail link is being built from Phuzomoya to Golele on the South African side of their common border. With the completion of this link in two years, Swaziland will be able to use the bulk cargo port of Richards Bay in South Africa, thereby having two seaports for handling its imports and exports.

Although Mozambique has closed its border to any Rhodesian trade or rail traffic, it still permits and in fact encourages South African use of its rail and port facilities in Maputo. The South African Consulate-General in Maputo has been closed, but a South African trade mission currently operates from the same building. South African businessmen have been taken on tours of the harbour facilities to help restore faith in the use of the port. Similarly, South African Railways personnel are improving the single rail line from Maputo to Komatipoort on the Mozambique–South African border, while laying a second line of track to link up with the double track within South Africa. Moreover, South Africa has now replaced Portugal as Mozambique's main trading partner, though the number of Mozambican workers in South Africa had dropped from 94,000 at independence to 35,000 by June 1977. On 25 March 1977, Mozambique started regular electricity supplies from its Cabora Bassa Dam into the South African power grid, but these sales will only account for 3 per cent of South Africa's needs, though they will make an important contribution to Mozambique's balance of payments. For the near future—political objections notwithstanding—Mozambique and South Africa are likely to continue to maintain trade and transit relations, even increasing upon their present level.

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British oil: the myth of independence

LAWRENCE FREEDMAN

'In thinking of ways and means to enjoy the feast to come, it is important to keep in mind the famine to follow.'

THE purpose of this article is to raise some issues concerning the impact of North Sea oil on Britain's external relations, a matter somewhat less discussed than the impact on domestic economic management. More specifically, the aim is to examine a common presumption that access to substantial indigenous oil and gas supplies and the consequent economic benefits will strengthen Britain's international position.

The benefits of North Sea fuels to the British economy are now being put into perspective. The effects are by no means trivial. According to Government figures, by the mid-1980s the help to the balance of payments will be some £8 billion, with about half that amount going to the Government as extra revenue. But for an economy the size of Britain's these figures only represent a few percentage points of GNP. However wisely the extra income is spent it will not create the conditions for an economic 'miracle' in Britain.[1] It cannot compensate for weak performances by the rest of British industry or for slow growth in international markets. In what promises to be a difficult period for all members of the Organization for Economic Co-operation and Development (OECD), Britain may notice an improvement in its relative position while still failing to achieve the high growth rates that have proved so elusive in the past. Furthermore, the benefits will be most marked during the 1980s, as the level of production will steadily decline in the following decade. In thinking of ways and means to enjoy the feast to come, it is important to keep in mind the famine to follow.

If Britain's economy can be strengthened, its international standing will no doubt improve. It will no longer always be the patient at gatherings of bankers and finance ministers nor the first to blush when the hat is passed round to fund some international initiative. The corollary of this

[1] For a full discussion of the economic impact, see Sheila Page, 'The value and distribution of North Sea oil and gas, 1970–1985', *National Institute Economic Review*, No. 82, November 1977.

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will also be true. Others will be less impressed by any special pleading on Britain's behalf. The appearance of economic strength, at least relative to past British performance, may contain a long-term danger of over-extension. With more revenue at hand, the Government might be tempted to accept commitments which involve some financial outlay that will be difficult to sustain when the oil wells start to run dry. The recent White Paper on North Sea oil noted how it could put Britain in 'a stronger position to discharge her international responsibilities, not least in relation to developing countries'.[2] Dr Luns, Nato's Secretary-General, has already put in a claim for some of the oil revenue on behalf of the defence budget.

The major foreign policy benefit normally associated with North Sea oil is the prospect of the release from dependence on the Organization of Petroleum Exporting Countries (Opec). Alone amongst its major partners and allies, Britain will enjoy secure supplies of oil sufficient to meet local demand. This, it is hoped, will spare Britain the need to placate the Arab states and offers the opportunity to avoid the worst ravages of the coming tightness of world oil supply. Because of the importance of these assumptions to estimates of Britain's international strength they need to be examined with care.

The coming energy crisis

Oil has come to be considered a particularly precious resource because of the existence of a powerful cartel capable of determining its price beyond that justified by production costs or available supplies, because of the considerable role it plays in meeting most countries' energy needs (some 40 per cent in the case of Britain) and because world reserves are finite. In the future there will have to be less reliance on oil. There is concern that alternative energy sources cannot be introduced with sufficient speed to fill this gap. A number of authoritative projections have suggested that well before the end of this century, some would say before 1985, the rate of production of oil will fail to match potential world demand. This will result in energy starvation for those consumers unable to meet the inevitable price increases. If the market mechanism works imperfectly in such a situation there could be severe economic dislocations, as some countries continue to consume more than they can afford. There will be considerable competition amongst those who can pay to secure supplies.[3]

The timing of such a crisis and the validity of this whole scenario have been the subject of disputes usually bound up with issues in energy

[2] Prime Minister and others, *The Challenge of North Sea Oil* (London: HMSO, March 1978), Cmnd. 7143.

[3] On some of the political consequences of a severe tightening of oil supply, see *Working Paper on International Energy Supply: A Perspective from the Industrial World* (New York: The Rockefeller Foundation, May 1978).

politics. On the production side, much depends on the willingness of Saudi Arabia to sell oil above the levels required for the purposes of its economic development. Uncertainties on the demand side include the degree of American dependence on imported oil, the possibility of the Eastern bloc finding it necessary to purchase oil on the world market, the success of conservation measures, progress with new, alternative energy sources and the speed and scale of world economic recovery. If recovery continues to be slow and if energy conservation measures prove to be effective, the crunch could be postponed. Certainly in the short term, with demand still depressed and new fields coming on stream, in Alaska as well as the North Sea, there is, if anything, a glut of oil. Estimates from the Department of Energy suggest that there will be ample supplies over the next few years, and that by 1985 there will still be 'substantial spare capacity even at the top end of the demand range'. By the late 1980s or early 1990s, however, supplies are liable to be tightening.[4]

The North Sea oil fields were hurried into production because of the need for a boost to the economy and because of a desire, after the traumas of 1973–4, for a measure of energy self-sufficiency. This was not a response to a long-term supply problem but to a short-term embargo and a well-organized cartel. As things stand, production from the main fields will peak in the early or mid-1980s, and decline steadily from the early 1990s. According to the above projections, this peak is coming too early. If we could (i) delay, and (ii) stretch out production of North Sea oil, the later barrels could be meeting an urgent need and be commanding a much higher premium. (Some expect world energy prices to double or even treble over the next 20 years.) There may therefore be a financial, as well as an energy supply argument for slowing down the depletion rate of our reserves.

Tomorrow's gain, of course, will have to be significantly higher than today's gain to compensate for the loss of a long-term boost to the economy and a full return on investment. There might then be doubts over whether it is wise to forgo undoubted and tangible benefits to the balance of payments and potentially the structure of the economy now for the sake of surviving a hypothetical threat in the 1990s. There are also technical factors. Each field has an optimum production profile based on the natural rate of flow of its oil. Excessive interference in order to accelerate or restrict production will involve some costs.

Though there are a number of tactics available to the Government for delaying some production, its freedom of manœuvre is not great. In 1974, in order to encourage production, a number of assurances were made to

[4] Department of Energy, *Energy Policy: A Consultative Document* (London: HMSO, February 1978), Cmnd 7101, pp. 8–13. US estimates are more pessimistic, suggesting that demand might exceed supply as early as 1981 and that a substantial gap could develop by 1985. The International Energy Agency (IEA) has recently forecast a notional demand gap of 4–12 million barrels per day by 1985.

the companies, including one that no delays would be imposed on finds made up to the end of 1975. The effect of these assurances removes one-half to two-thirds of known reserves from imposed delays. It is therefore unlikely that depletion rate controls will be able to shift the period of peak production by a significant amount; it is more likely that they will be used to ease the transition period out of net self-sufficiency. However, in practice, delays caused by bad weather and technical problems are already providing inadvertent depletion controls. In addition, there is now some evidence that wrangles over participation agreements plus new fields taking longer to appraise than did the first 14 'have made it seem less likely than formerly that production will build up to a fairly sharp peak in the early 1980s'.[5] Commercial exploitation of new fields will be to a considerable extent determined by developments in the price of oil, and will thus be responsive to the general world supply situation. Though a large proportion of the oil will have been used up before the 'energy crisis' arrives, if it does arrive, Britain can expect a smoother passage than others through its early stages.

Energy independence

The sense of immunity to serious supply disruption, encouraged by the use of such words as 'energy independence' and 'self-sufficiency' in discussions of North Sea oil, is not justified. That the oil will only be available for a limited period is not particularly relevant. Ten years may be a short time for energy planners, but it is still a long time in politics. By the 1990s, the political demands from the Middle East may have taken on a different character. The main danger is of over-estimating the extent to which Britain can ever be independent. It is too much a part of the international economy not to feel the reverberations of any crisis afflicting its partners. Furthermore, Britain will still need to import substantial amounts of oil from the Middle East. This is because North Sea oil produces 'light' crudes which command a high price on overseas markets but are not particularly suitable for many British refineries unless mixed in proportions of 35:65 with heavier Middle Eastern crude. There is therefore an economic argument for exporting a substantial percentage of North Sea output. The official policy is to refine up to two-thirds of North Sea oil in UK refineries. This has been interpreted with some flexibility: in the past year, over 40 per cent of North Sea oil has been exported. Some of the oil companies are arguing that as much as 50 per cent of the oil should be exported and others would say more.

The Government has indicated a desire to enhance genuine self-sufficiency through the expansion of refinery capacity from the current 136 m. tons to 150 m. tons. As with some Opec states, there is an interest in more down-stream processing so as to increase the value of an in-

[5] *ibid.*, p. 35.

digenous raw material. Unfortunately there is considerable over-capacity in European, let alone world, refineries. In consequence, opportunities in this sphere will be limited. The European Commission has been pressing for a reduction of European refinery capacity, desiring to shut down plants that are elderly, environmentally inadequate and situated in areas of high concentration of refineries. This plan has a number of problems, one of which is the reluctance of the British Government to contemplate cuts, arguing for an entitlement to a greater share of this industry by virtue of the North Sea production. Yet while existing British refineries are only used to the extent of some 60 per cent, to refine the 'light' North Sea crudes properly would require new plants. Furthermore, processing North Sea oil in British refineries could be more expensive than in existing European plants, as there will be a need in costing to ensure a return on capital investment. A final point is that the value added by refining may well be less than the lost premium of 'light' crudes on world markets. One London stockbroking firm has argued that the cost of insisting on a rigid refine-at-home policy could be as much as £163 m. by 1980. Out of recognition of the danger of losing the premium value of North Sea crude there are now signs that the Government accepts the limits on a refine-at-home policy for the medium term.

However, the Government still appears to be unwilling to forgo the possibility of an expansion of refinery capacity. In the meeting of EEC energy ministers late in May, British resistance was a factor preventing agreement on refinery cut-backs. This was done for reasons of principle concerning national sovereignty, rather than because of interference with immediate plans. The Commission has indicated that it is not seeking to abort the two new refineries already planned by Britain. One cost incurred by Britain for taking this negative stand was the rejection by Italy, which is anxious to get subsidies to ease cut-backs in its excess refinery capacity, of a scheme to subsidize the use of EEC-produced coal in power stations. This scheme would have benefited Britain. There are other areas where a strict 'refine-at-home' policy will cause conflict with the Community. It could well fall foul of Article 34 of the Treaty of Rome which forbids quantitative restrictions on trade between members. If another EEC member were willing to pay more for available oil, the British would be obliged to let it go.[6] Insistence that all North Sea oil must be landed on British territory unless a special waiver is given by the Energy Secretary is currently being investigated by the Commission as an impediment to free trade within the Community. The Government appears to be ready to accept irritated relations with the Commission and its EC partners in the energy field in order to safeguard a principle that economic common sense suggests ought not to be exercised.

[6] See N. J. D. Lucas, *Energy and the European Communities* (London: Europa Publications, 1977), pp. 122–3.

Security against embargoes

If Britain still has to meet up to half its oil needs by imports, even though exporting an equal or greater amount, then it will not be insensitive to sudden cut-offs of oil from the Middle East. It is only becoming significantly less dependent on those Opec members which produce crude oil of a comparable quality: Libya and Nigeria. Even without dependence on oil supplies there would remain a number of very good reasons, pertaining to trade and investment, why it would want to keep on good terms with the major Opec countries. Some concern has been expressed over the effect of a decline in imports of Nigerian oil, plus competition for markets for light crudes, on Nigerian attitudes towards the large trade surplus in Britain's favour.

Under International Energy Agency (IEA) and EEC arrangements Britain is expected to prepare for an embargo. Such preparations involve maintaining emergency stocks and agreeing on distribution of available supplies in the event of a crisis. Emergency stocks are held in the inventories of the companies. These currently involve some 17 million tons of oil stores at an annual cost of some £55 m. With North Sea oil there is an argument for developing a deliberate amount of 'shut-in' production which could be released in an emergency. This would make particular sense in connexion with a depletion rate policy designed to stretch out the life-span of the oil reserves.[7] Under the IEA Britain is expected to hold an 'emergency self-sufficiency capability' so as to be able to endure a total denial of net imports for 70 days at a level of 90 per cent of normal demand. IEA rules permit Britain to maintain a considerable amount of this capability in shut-in production. The second important feature of the IEA arrangements concerns the distribution of North Sea oil in the event of a serious disruption of supply from the Middle East. In such a situation it might be possible, for a limited period and inefficiently, to divert to British refineries oil intended for export. Under any circumstances, this would irritate deprived consumers. Under IEA arrangements, there is not even an incentive to consider such an action.

With the first 10 per cent of cuts afflicting the IEA countries, Britain would be expected to reduce its own consumption by 10 per cent (though some of this could be avoided by using stockpiles or spare production). In allocating the burden of cuts above the 10 per cent level, credit will be given for the level of Britain's oil production, whether or not the oil produced is being exported from or refined in the UK. The higher the level

[7] The political disadvantages of this policy have been pointed out in an unpublished paper by Ed Krapels on 'Oil and Security in Great Britain'. With a conventional stockpile, Britain would not stand out from other IEA members in the response to an embargo. With shut-in production, it would be able to make a distinctive response. By increasing oil production, as would undoubtedly be requested by its partners, Britain could be seen by those imposing the embargo to be making a determined effort to break it and could thus become a target for further attempted sanctions.

of production the greater the supply right. Britain thus has a clear interest in the IEA because, if the IEA allocation scheme works, the fact that so much of North Sea oil will be exported will be discounted in determining its supply right. In return Britain is expected to maintain 'normal supply patterns'.

EEC contingency planning has tended to follow the guidelines of the IEA. A Council Directive of February 1977 spoke of the need to maintain 'traditional trade patterns' in the event of an emergency. The main difference has been in stricter stockpiling requirements. A 1968 Directive requires the maintenance of stocks equivalent to 90 days' consumption. An exemption of 15 per cent was made to take account of indigenous oil production. The British have been pressing for a greater exemption and last December the Commission responded by proposing that this should be increased to 40 per cent, bringing the minimum level of stocks down to 54 days' consumption. However, this concession applies to all member states and is based on a view of North Sea oil as a Community rather than a particularly British resource. In order to justify an all-round reduction of stocks the Commission proposes that 'normal supply flows of these crudes and products between Member States shall be maintained in the event of supply difficulties'. That is, whatever the difficulties Britain was facing in securing its regular imports of crude and products, the volume of exports to member states should be maintained. The only credit Britain would get would be determined by the normal supply of oil to home refineries (so increasing the security argument for building up indigenous refinery capacity). A more serious problem is that the attempt to maintain supply *flows* to EEC states could well conflict with attempts to maintain supply *patterns* with all IEA states. In 1977, only 58 per cent of Britain's oil exports went to the EEC, with 29 per cent going to North America and 11 per cent to non-EEC Scandinavia. The EEC proposals require Britain to take a greater share of any Community burden but they raise the prospect of some of this burden being imposed on the rest of the IEA, and in particular the United States.

The Commission proposal allows for some flexibility in that 'supplies may be adjusted in accordance with decisions which have been taken at Community level'. It is doubtful that the British Government will be enthusiastic about handing over decision power on the distribution of North Sea oil to the Community. There is a further question as to the wisdom of attempting to make difficult decisions about burden-sharing, which might well involve non-EEC states, in the midst of a crisis rather than rely on the politically less controversial approach of maintaining normal supply patterns.

Britain as an oil-exporting state

Because of the IEA measures and the growing interest of the oil pro-

ducers in the economic health of the West, many people doubt whether the oil weapon will ever be used again as it was in 1973. With progress towards a Middle East settlement still slow, a certain amount of contingency planning would seem to be prudent. Britain has to work out the responsibilities imposed by its status as an exporter in such a scenario.

As we have seen, the current economic argument lies strongly with exporting in normal times a substantial proportion of North Sea oil. Under IEA rules, there is no strong counter-balancing security argument in favour of a refine-at-home policy though there could be one if the latest Commission proposals are accepted.[8] So long as Britain does have oil to sell it will have some sort of lever in international relations, especially if there is more of a sellers' market during the 1980s. Decisions about who is to get how much of North Sea oil could prove to be quite difficult during the coming decade.

For the moment, few firm decisions on either the level or distribution of exports appear to have been made. Oil companies have been discouraged from signing long-term contracts for refining North Sea oil abroad and any contracts have been scrutinized carefully. Some sort of policy is required. How responsive should Britain be to the desire of its European partners for privileged access to North Sea oil? West Germany is already deliberately importing more oil from Britain in the belief that this will be a more 'stable' supply.[9] To what extent can the high United States demand for 'light' crude be satisfied at the expense of European demand? Are there any means by which North Sea oil could help Britain gain secure supplies of the oil it will need to import? A proposal by Venezuela has been reported in which Venezuelan 'heavy' crude would be swapped for British 'light' crude. What can the Community offer Britain in return for privileged access? With oil having to sell at a discount at the moment, there is still interest in a guaranteed minimum price. Another possibility might be Community subsidies to help finance the exploitation of the more marginal fields.

British ministers have hinted, often in a jocular mood, at future membership of Opec. Already Britain exports as much as some of the smaller members of Opec. There are no self-evident reasons why Britain should

[8] However, as explained earlier, an expansion of British refinery capacity would contradict Community attempts to cut back capacity.

[9] Some 7 per cent of the Federal Republic's oil needs were satisfied by British crude in 1977. This percentage could double in 1978: *Financial Times*, 5 January 1978. German confidence in the stability of this source may have been dented by the argument over the freedom of the German Deminex consortium to dispose of its oil from the North Sea Thistle Field as it wishes. In June a deal was announced between British Petroleum and the German Veba group (which has a 54 per cent stake in the Deminex consortium) by which British Petroleum agreed to assure Veba of supplies of 3 million tonnes of oil per annum for the next 20 years at competitive prices in return for greater penetration of the German market for products. However, the oil involved is to come from the Middle East and not the North Sea.

want to join the organization. It would merely have a symbolic significance—an identification with one of the world's major power blocs. But, apart from oil matters, Britain does not share many interests with other members of Opec. (In fact, because oil exports are not the predominant source of national wealth Britain would not qualify for membership.) Furthermore, its influence within the organization would be small. Its contribution to world production is too small (at most, it will be about 4 per cent) to make a lot of difference on a global scale, though it could well make a difference on a regional scale. It has been content in the past to accept the international price set by Opec as the basis for its own prices without being seen to be in any way responsible for the level of that price Its major interests lie with the world's oil consumers rather than the oil producers.

The British Government has made its belief known that North Sea oil creates distinctive British interests that need careful protection. Such interests do exist, but they are not overriding. The autarchic instincts betrayed by the Government when it comes to oil have resulted in controversy within the Community for stakes that are not particularly large. Some of the economic benefits to be gained by *net* self-sufficiency would be lost in any attempt to make this self-sufficiency absolute, without there being any compensating security benefits. The most important point is that, even with independence in oil supplies, Britain will still be dependent on the rest of the world for trade and other raw materials. If the oil is to be used to regenerate British industry, the regenerated industries will need markets. Though in a crisis it may give satisfaction to be relatively better off than others, if its major trading partners are suffering then Britain will suffer too.

Table 1

Forecast of United Kingdom Continental Shelf Oil Production

Year	1977	1978	1979	1980	1981	1982
Forecast production (m. tonnes)	38	55–65	80–95	90–110	100–120	105–125

Source: Department of Energy, *Development of the oil and gas resources of the United Kingdom 1978* (London: HMSO, April 1978), p. 3.

The European Parliament: direct elections in national and Community perspective

ROGER MORGAN AND DAVID ALLEN

How are the Governments and political parties of Europe preparing for next year's elections? And how will the directly elected European Parliament use its authority in relation to other Community institutions?

If all had gone according to plan, midsummer 1978 would have been a time for analysing the results of the direct elections held this June, and for assessing the prospects for the newly elected Parliament. The one-year delay—which in itself tells us a good deal about the low priority attached to Community affairs by the British Government and some others—means that we are still speculating about the significance of an event which is many months in the future. The moment is a good one for an assessment, however: the coming months will see a stepping-up of the political manœuvres already under way, since it now appears certain that the elections will be held in June 1979. The Council Decision and Act of September 1976, containing the formal commitment to direct elections, has been ratified by all the nine member states, and (removing a further possible impediment) these ratifications have now been notified to the Council.

Another essential preliminary stage, the adoption of electoral laws by each member state, is still not completed in all of them; but since none of them except Britain is divided by such a major issue of principle as the conflict between proportional representation (PR) and first-past-the-post electoral systems, which delayed the British decision for many months last winter, there are good prospects that in most member states the run-up to the election campaign can begin this autumn. In Belgium, it is true, a major difficulty has arisen over the precise form of PR by which the country's 24 seats in the European Parliament shall be filled: the representation of the main Walloon and Flemish areas is relatively non-controversial, but the means of representation of Brussels itself (perhaps ironically, for the Community's capital) has been hotly disputed. In Italy and in Luxembourg, again, the details of the electoral law are still to be worked out (though the principle of national lists has been agreed), and the

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ng absence of a government in the Netherlands has led to delay there o. Even though the specific disputes which have arisen over the elec-ral system in this or that member state are in the process of being esolved, their general shape and significance should be noted, because ome of them will arise in a new form in the preparations for the second irect election, scheduled for 1984: it will be recalled that this election is be held under a uniform electoral law for the whole Community (to be ecided, as one of its specific tasks, by the Parliament elected in 1979), nd the various national inputs into the discussion of this uniform elec-ral system are inevitably prefigured by those being produced now.

Before returning to the question of the ways in which the concerns of ational politics will affect the European elections and their sequel, it is orth recalling the ways in which, from the point of view of the Com-nunity as a whole, direct elections are expected to enhance the European 'arliament's role and status. In an authoritative article published early st year,[1] it was argued that the new directly elected Parliament, with ouble the number of members (410 instead of 198), and most of them eing full-time European MPs (instead of none of them, as at present), he work of the Parliament and of its steering Bureau, its committees, and s party groups, would be greatly intensified. While not expecting an creased share in the Community's legislative process in the strict sense this being essentially the prerogative of the Council of Ministers), it ould appear natural and proper for the Parliament to play a larger con-ultative role in this process, with a right to have all Commission pro-osals formally presented, and a limited right of initiative for itself. In its ole as the supervisor of Community spending programmes, through the udgetary process, the directly elected Parliament could expect to have much greater say than the present one, with greatly increased powers ver both the Commission's activities and the policies presented by the ouncil.

The new Parliament, whose relations with both Commission and ouncil may be expected to become more 'politicized' as part of the pro-ess of the development of stronger party groups, can be expected to ght for greater accountability from the Council in budgetary and other atters, and also for greater influence in the negotiation of association, ommercial, and co-operation agreements by the Community, as well as the process of European Political Co-operation between the nine ember governments. A further dimension of parlimentary influence, ssential in view of the increasingly inter-governmental nature of the ommunity, will be concerned with achieving a measure of control over he discussions of the European Council of Heads of Government, and f the Committee of Permanent Representatives (Coreper) in Brussels.

[1] Michael Palmer, 'The role of a directly elected European Parliament', *The orld Today*, April 1977.

The development of new techniques of parliamentary control, including hearings both in private and in public, should firmly establish the Parliament, during the first term of its new incarnation, as the democratic watchdog of a political Community rather than the present essentially technocratic one.

Even though this programme of prospective enhancement of the Parliament's influence represents only modest developments from the present situation, rather than any revolutionary transformation, the attempt to implement it will clearly run into a number of difficulties, arising from various kinds of concerns on the part of the national capitals. To start with the legal aspects, it is highly relevant to note that both the French and the British Governments have accompanied their assent to direct elections with explicit refusals to allow any increase in the Parliament's powers without the member states' unanimous approval. In the case of France, this refusal was linked with a decision by the French constitutional court that direct elections should not reduce French national sovereignty; in the British case, the determination to place strict limits on the European Parliament's powers was expressed in a change in the title of the European Elections Bill, in January, to call it a Bill not only to make provision for the elections but also 'to prevent any treaty providing for any increase in the powers of the Assembly from being ratified by the United Kingdom unless approved by Act of Parliament'.[2]

As well as these formidable constitutional shackles, the members of the new Parliament will have to face a more general problem in their attempts to build up the institution into the democratic nerve-centre of the Community. The last two years' debate in the member states on the principle of direct elections, and on its implementation, has shown very clearly that, even among politicians whose basic position is not one of outright hostility, the European elections have to take their place in an order of priorities determined largely by national considerations. One way in which this became manifest was, of course, in the discussions of the electoral law, where the British debate about PR was conducted mainly in terms of whether PR for European elections would form a precedent for British general elections too. The ultimate agreement on the date of June 1979 for the Euro-elections was also influenced by the convenience of national electoral calendars, and politicians are continuing to think about the event in relation to these calendars: for French leaders and parties, the important dates have been the legislative elections of March 1978 and the presidential one in 1981; for Britain, the general election probably due in October 1978 has priority; the German parties are calculating in terms of the series of *Land* elections due during 1978 and 1979 and the Bundestag election of 1980; in Luxembourg, too, an election is due in 1979; and the list could be continued.

[2] *The Times*, 27 January 1978.

The juxtaposition of these national electoral calendars with the European calendar poses a number of problems, starting with that of personnel. Only a small number of the members of the new European Parliament will be members of their national parliaments too: although the positions taken by national governments and parties on the dual mandate vary widely, and in some cases a dual mandate will still be possible, most party managers and governments are moving firmly towards the view that this should be the exception rather than the rule, because of the practical difficulties and political risks which the large-scale practice of the dual mandate would entail. Faced with the need to choose between careers in their national parliaments and the European one, several prominent European statesmen have chosen, or are likely to choose, the former: Edward Heath, for instance, is staying at Westminster, and Willy Brandt and François Mitterand are also likely to prefer their national parliaments (though in their cases a dual mandate is not completely excluded). At less eminent levels, the same choice has to be made. In some cases, a preference for the European Parliament results from a long-standing commitment to the European cause (as with Sir Geoffrey de Freitas and Lord George-Brown—though in the latter case, membership of the House of Lords makes a dual mandate feasible), but the European option is less likely to appeal to younger politicians aspiring to make a political career which must still be considered essentially in national terms (though the high salaries for Euro-parliamentarians might counteract this consideration in some cases).

National pressures on the Euro-parliamentarians

The standard-bearers of democracy in the European Parliament will thus be a very diverse group of people, reflecting a wide range of personal, party-political and national considerations. The processes of selection, campaigning and election which take them to Strasbourg (and/or Luxembourg and Brussels, as the case may be) will also reflect these varied concerns, and the functioning of the new Parliament will bear their traces too. The 81 British members, for instance, will take with them a number of specifically British political problems, not least the visible evidence of how our electoral system works: it is most unlikely that the 81 will include a single Liberal, and they will presumably strive, when the Parliament comes to debate its electoral law for 1984, to ensure that this new Community-wide law approximates in some measure to the British one which has given some of them their seats. It is also likely that the British Labour Party representatives will include at least a few ardent anti-Europeans, and it will be interesting to observe whether their instinct for democracy will impel them to try to strengthen the Parliament's powers, to a higher degree than their opposition to British membership will make them try to keep the Community's institutions weak.

If the Parliament makes progress in the direction of acquiring greater power, for instance, in controlling the activities not only of Eurocrats but also of multinational business firms, this development—together with increasing solidarity within the Parliament's Socialist Group as a whole—might modify the attitude of Labour members elected on a straight 'anti'-Community platform.

In France, too, the debate has, of course, been marked by powerful cross-pressures and reservations, which will influence the attitude of the French members of the Parliament. The explicit refusal to allow any increase in the Parliament's powers without national approval, mentioned above, reflected strong opposition to any diminution of French sovereignty on the part of both Communists and Gaullists, as well as reservations about the Community among important sections of the Socialist Party.[3] These attitudes will not be easy to overcome, and there are also reservations of a more tactical kind which present a problem in the shorter run. The French Government delayed until late June the formal confirmation of its ratification of the Act providing for direct elections, and this appears to have been partly due to the unresolved issue of where the new Parliament would conduct the main part of its work. It was reported some months ago that President Giscard d'Estaing had reached agreement with the Luxembourg Prime Minister, M. Thorn, to withhold confirmation of France's agreement to the elections unless a halt was called to plans for expansion of the Parliament's accommodation in Brussels:[4] both Luxembourg and Strasbourg (the latter represented by its indefatigable Mayor, M. Pflimlin) are determined to retain their positions as the principal seats of the Parliament, and it is certain that the French attitude on this point, in particular, will be strongly represented in the new Parliament's inevitable discussion of its future location.

The attitude of the Federal Republic of Germany to direct elections has been less troubled by basic doubts than those of Britain or France. The legal procedures for the elections have gone ahead smoothly, and considerable sums of money have been voted to pay for information work by the senior political figures appointed to organize the election campaign in each of the federal *Länder*. As all three German parties are committed to direct elections, the main point at issue has been that of the electoral system to be adopted. The parties of the present governing coalition, Social Democrats and Free Democrats, favour a system of national lists (all the Federal Republic's 78 MPs being chosen from a single list of candidates), since this would allow them to head their list throughout the country with nationally known political figures. The opposition Christian Democrats, not surprisingly in view of their present lack of nationally

[3] See Julian Crandall Hollick, 'Direct elections to the European Parliament: the French debate', *The World Today*, December 1977.
[4] *Financial Times*, 14 February 1978.

known leaders, would prefer to put up separate lists for each *Land*. The electoral law finally approved in Bonn this spring represents a compromise, allowing parties to present either national lists or 'linked *Land* lists'. The most interesting feature of this solution is that it leaves the way open for Herr Franz-Josef Strauss's Christian Social Union to try its strength as a nationwide party, outside the confines of its stronghold in Bavaria. Again, considerations of national party politics predominate in this possible attempt, since Herr Strauss will regard his party's performance in the European elections of 1979 mainly as an indicator of his prospects for the Bundestag election a year later.

Another specifically German problem is indicated by the figure of 78, just mentioned, for the number of German seats in the new Parliament. The Federal Republic was allocated 81 seats, like France, Italy and the United Kingdom, but three of the seats have been earmarked for representatives from West Berlin. These in turn cannot be directly elected (under the terms of the post-war agreements on Berlin, including the Quadripartite Agreement of 1971), but will, like the West Berlin members of the Bundestag, be deputed by the Berlin House of Representatives. The Soviet Government, predictably, has protested at even this indirect representation of West Berlin as part of the European Community, and any move towards an involvement of the three Berlin members in the strictly legislative work of the Parliament would certainly be the subject of even stronger Soviet objections. If the issue became acute, divergent reactions on the part of Bonn on the one hand, and London and Paris on the other, might add a further dimension of different national interests to all the existing ones.

These examples of differing national perspectives on the part of Britain, France and Germany could be multiplied by a consideration of the viewpoints and priorities of other member states. If one function of a parliamentary assembly is to reflect and to reconcile differing regional, ideological and other divisive interests, the directly elected European Parliament will be no exception, but rather an epitome of this aspect of what democracy is about.

Transnational parties and the new Parliament

One factor which might make it easier for the Parliament to fulfil its task of reconciling these conflicting interests is the development of cross-frontier links between the main political 'families' represented in the member states' national systems. There have been sustained attempts for many years to make these links effective, and it now appears likely that the election campaign of 1979 will be fought, at least at one level of argument, between Community-wide federations representing the main political creeds of Europe: liberalism, democratic Socialism, Christian Democracy, conservatism and, in some areas, Communism. Federations group-

ing the national representatives of most of these political 'families' have been established—the European Peoples' Party for the Christian Democrats, the European Liberals and Democrats, and the Union of European Socialist Parties. It must be heavily stressed, however, that this transnational unity indeed operates only 'at one level of argument', since the constituent national sections of each federation are subject to all the diverse national preoccupations and cross-currents mentioned above. At the somewhat rarified level of general principles, the party federations have had little difficulty in agreeing on vaguely worded election manifestoes, but commitments to concrete lines of policy have been strikingly absent. This was true for the liberal and Christian Democratic election statements drawn up some months ago, and quite dramatically the case of the Socialist manifesto which was painfully assembled at a conference in Brussels on 23–24 June: here, the stark conflict between the German Social Democrats' fervent commitment to European political union, and the British Labour Party's blunt refusal of the whole idea, was blurred into a statement so vague that it seemed as if the concern to agree on *any* statement was more important that the contents of the document that finally emerged.[5]

Against this complicated and in many ways unpromising background, how will the new Parliament assume its much heralded role as the democratic watchdog of the Community? Commissioner Tugendhat was certainly right to offer his recent warning that the Parliament should resist any temptation to try to wrest power from the Executive according to the Westminster theory: he was also right to point to the encouraging analogy of legislative scrutiny by the United States Congress.[6]

One answer to the problem raised above, of the British and French restrictions on increasing the powers of the Parliament, would be for the Parliament to make better use of the powers it already possesses, even before direct elections. The new Euro-parliamentarians, despite all their divisions and discords, are likely to agree in trying to exploit to the utmost their powers to scrutinize the Community budget (this will present a challenge to the member government holding the Presidency of the Council of Ministers, rather than to the Commission), and they are likely to adopt the Congressional habit of hearings, both private and public.

There will, of course, be real problems of co-ordination between the European Parliament and the national parliaments, and a further series of problems arising from the Community's enlargement. Looking ahead, however, one can see the new Parliament functioning not only as a channel of communication between the Community and the day-to-day concerns of its citizens but also as a forum for serious debate of some of the larger issues of politics (such as Europe's strategic interests) which are most inadequately discussed at present.

[5] *Le Monde*, 26 June 1978 [6] *The Times*, 3 July 1978.

New Zealand and the Community

JULIET LODGE

The Community's commitment to concessions for New Zealand's agricultural exports was made for political rather than economic reasons, but New Zealand is dissatisfied and seeks further derogations from the CAP.

WHEN Britain joined the European Community (EC) in 1973, New Zealand was granted special, privileged access to the British market for its dairy exports. This access represented a derogation from EC rules and the terms governing it were set out in Protocol 18 to Britain's Treaty of Accession. In essence, they provided for special access for butter and cheese for a transitional period, which ended last December, and stipulated the maximum quantities of butter and cheese that New Zealand could export to Britain at a fixed price during the 1973–7 period.

Whereas a number of EC member states have argued that Protocol 18 was strictly a transitional arrangement, it has always been the opinion of the New Zealand Government that, given the level of New Zealand's dependence on dairy outlets in Britain, the special arrangement with the Community should be one subject to 'continuing review'. In other words, the New Zealand Government's position since Britain's first bid to join the EC, when Sir John Marshall began seeking special assurances in respect of New Zealand's exports to Britain, has been that special arrangements must continue until such time as New Zealand is able to find alternative market outlets. This in itself is difficult, not least because demand for dairy products is limited. Diversification has met with some success. Whereas in 1960 Britain took 53 per cent of New Zealand's exports, in 1976 this figure had fallen to 19 per cent. Dairy products do, however, pose a particularly difficult problem because, on the one hand, 15 per cent of New Zealand's total agricultural exports (which account for 70 per cent of its total exports) comprise dairy products and Britain remains the major market, and because, on the other hand, the Community has substantial dairy surpluses. In July 1977, the Prime Minister of New Zealand, Mr Robert Muldoon, pointed out that in his view there

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were no alternative outlets for New Zealand's butter, for a significant proportion of its cheddar cheese exports, and for the larger proportion of its lamb exports. Britain still took 80 per cent of its butter, and 75 per cent of its lamb exports.[1] Not surprisingly, therefore, New Zealand has concentrated on securing further derogations in respect of butter and cheese and arguing against implementation of a common sheep meat regulation. Agricultural issues have dominated New Zealand's thinking on the EC for a long time.

The Luxembourg Agreement

Apart from seeking to extend special arrangements, New Zealand officials have been concerned with securing price increases for the annually decreasing quantities of butter exported to Britain. Indeed, dissatisfaction with the pricing arrangement for butter was expressed in 1971, when British Ministers and officials, in consultation with their New Zealand counterparts, negotiated with the EC the so-called Luxembourg Agreement—which became Protocol 18. Then it had been decided that a fair price for butter would be one that represented the average price for butter over the 1969–72 period. Subsequent inflation and the oil crisis resulted in this price appearing less generous. Indeed, even before Britain joined the EC, steps were taken to try to amend the pricing formula which was supposed to last for the duration of Protocol 18.

Both in terms of the formal negotiation of Protocol 18 and in terms of the formal discussions for amending the pricing formula, New Zealand's role vis-à-vis the EC has been indirect. This has meant that its case has had to be argued on its behalf by British representatives, as had been the case in respect of the Luxembourg Agreement. This has had two implications. First, it has resulted in a tendency at the political level to underestimate the importance of the Commission's role and position in EC decision-making and to misinterpret the nature of a supranational Community on the part of New Zealand. Thus, for example, stereotyped images of the EC and of France's role in it have persisted in New Zealand. Even before the important Dublin summit of 1975, special representations had to be made to the New Zealand Government in order that the Labour Prime Minister, Mr Rowling, might not omit the Commission and Irish Government during his tour of European capitals as he had originally intended. Secondly, the fact that Britain has been responsible for putting New Zealand's case to the Commission and Council of Ministers has meant that New Zealand has been comparatively slow in developing and intensifying its own relations with the Commission and other Community bodies, even though New Zealand Ministers and

[1] *New Zealand Foreign Affairs Review* (hereafter cited as *NZFAR*), Vol. 27, No. 3, July–September 1977, p. 33.

officials regularly visit EC member states. Not until 1976 did a group of New Zealand MPs visit the European Parliament, and not until 1975, after Lord Soames's visit to New Zealand in 1974, was a consultative procedure established to facilitate informal talks between Commission and New Zealand officials from government departments and European embassies.[2] The second round of consultations under this procedure took place in Wellington in March 1977.

Since 1973, New Zealand's relations with the EC have been dominated by the question of access to the British market for butter and cheese, and more recently sheep meat. Essentially, discussions have hinged upon four things: the revision of the pricing formula, the determination of quota levels, special access for butter and cheese after 1977, and avoidance of a common sheep meat regulation. As will become apparent, the first two of these items have been closely related and have affected the third.

The pricing formula revision

Technical discussions over the revision of and application of the contentious pricing formula began soon after its having been agreed upon by the EC's six founder members. It is difficult to discover with whom the formula originated, but it has proved to be the key to a number of subsequent negotiations and 'understandings' on the levels of New Zealand's butter exports—irrespective of the formal levels set out in Protocol 18. There are good reasons for believing that the EC of the Six particularly favoured the pricing formula. These reasons were not unrelated to their views of the relationship between prices and quantitative guarantees—a relationship that had been made clear in 1971, and which itself was linked to the level of Britain's budgetary contributions to the Community. Paragraph 9 of the agreement on New Zealand accepted in Luxembourg in June 1971 noted that 'because of the financial impact of this exceptional system' the proposal of New Zealand was to be 'subject to a satisfactory agreement on the amount of the British contribution to Community finances'.[3] The significance of this was to be highlighted during Britain's 'renegotiation' of its terms of accession, and specifically of its budgetary contributions.[4] It may be suggested that the pricing formula agreed upon in 1971—a formula that provided for New Zealand to receive a price *representing* the average of prices over the four years 1969–72—strengthened the Community's bargaining hand vis-à-vis New Zealand to the extent that modifications to that formula could be traded against a reduction in imports of New Zealand butter by Britain. That the formula was not as inflexible as commonly assumed was evinced by both

[2] For details, see *NZFAR*, Vol. 24, September 1974, p. 4.

[3] Simon Z. Young, *Terms of Entry: Britain's Negotiations with the European Community, 1970–1972* (London: Heinemann, 1973), p. 173.

[4] See the present writer, 'New Zealand, Britain and the EEC in the 1970s', *Australian Outlook*, Vol. 29, No. 3, December 1975, pp. 292–4.

New Zealand's insistence that the possibility of amendment was implied by the term 'representing'; and by the EC's willingness to consider trade-offs against actual butter deliveries.

From the outset New Zealand insisted that the intention behind the pricing formula of the Luxembourg Agreement was to assure New Zealand of a 'real' return for its exports; that world inflation had prevented this; and that, therefore, New Zealand had a legitimate claim to an increase in the price paid for its dairy exports to take account of increased production and freight costs. To get higher prices the agreement of both the Community and Britain was needed. In 1973, political pressure was put on the British Government to agree to the Commission proposal to apply Monetary Compensatory Amounts (MCAs) to New Zealand's exports[5] in order to compensate it for sterling's devaluation; the British agreed and New Zealand's returns increased. However, it was stated in the Commission report on New Zealand that no allowance could be made for price differences occasioned by revaluations of the New Zealand dollar.

Further amelioration in the pricing arrangement was achieved when the Council of Ministers agreed to increase the prices New Zealand exporters received by 18 per cent as from 1 January 1975. The Prime Minister, Mr Rowling, expressed his satisfaction but noted that 'while the increase is less than we think justified by the facts, nevertheless it is a substantial and welcome improvement in our trade with the EC.'[6] The price increase was, however, contingent upon the level of butter exports to Britain. New Zealand's failure to meet its guaranteed quota levels, due to domestic production figures associated with the drought and to its ability to find alternative and more lucrative markets elsewhere, meant that the EC could trade off an increase in the price with an agreement from New Zealand to limit its actual deliveries to a level below that set out in Protocol 18 for the year 1975.

Again in 1975, New Zealand sought price increases as part of a similar quid pro quo. The issue featured in talks between Mr Rowling and Mr Harold Wilson in March 1975 prior to the British referendum and the formal review of the application of Protocol 18 scheduled for 1975; the matter was raised, further, by New Zealand's Minister of Foreign Affairs, Mr Walding, during his September visit to the EC. It was reported that New Zealand was seeking a 25 per cent increase, but British and EC observers anticipated a smaller increase. In the event, agreement was eventually reached under Mr Talboys, Minister of Foreign Affairs in the New Zealand National Government, whereby New Zealand received an 18 per cent price increase in exchange for a 'secret' agreement

[5] Address by the Secretary to the Treasury, Mr H. G. Lang, to the New Zealand Institute of International Affairs, 25 August 1973, cited in *NZFAR*, Vol. 23, August 1973, p. 22.

[6] *ibid.*, Vol. 24, November 1974, pp. 37–8.

to limit deliveries.[7] In September 1977, New Zealand secured a further 10 per cent price increase; this was much less than it wanted but was not subject to any understandings on quantities. The Commission's position is that New Zealand should not be accorded larger price increases than EC farmers.

The butter quotas

It was also under Mr Talboys, in 1977, that a series of butter quotas for the period 1978–80, that is, beyond the five-year period established in Protocol 18, were negotiated. These negotiations illuminated a number of misunderstandings that had arisen in New Zealand over the provisions of Protocol 18. Three points in particular gave rise for concern. First, the question of 'degressivity': the notion that over a number of years New Zealand's actual butter deliveries should decline; second, the question of whether or not further butter quantitative agreements could be negotiated; and, third, the question of whether or not some arrangement could be found that would permit the continued export of cheese to Britain on a special access basis after the quota provisions lapsed at the end of 1977. At the time of writing, the latter question still required clarification. However, the first two issues were cleared up in the course of the discussions arising out of the 1975 Review, discussions which actually culminated in 1976.

Throughout 1975 and 1976 New Zealand politicians created the impression—possibly deliberately for domestic political reasons—that Protocol 18 was inflexible and that tough bargaining was ahead if Protocol 18 was to prove more than a transitional arrangement. The New Zealand Government set out to obtain a new series of quotas permitting, according to the Dublin Declaration,[8] the effective marketing of New Zealand butter. In so doing, it contested the principle of degressivity—unsuccessfully as it happened since this was implicit in the Protocol and had been applied in respect of 1973–7 quota levels.

The quotas obtained for 1978–80 were generally deemed satisfactory by the New Zealand Government. They had been negotiated after the Review and lengthy wrangling between the Commission and the Nine—New Zealand having rejected the Commission's original proposals as unsatisfactory and having gained a readjustment of the proposed quotas, so that the quota for 1980 was somewhat higher and the earlier ones lower.

[7] *ibid.*, Vol. 25, December 1975, p. 41.

[8] In the communiqué released by EC Heads of Government at the Dublin summit on 11 March 1975, it was stated: 'As regards the annual quantities to be established by the Community institutions in the framework of the special arrangements after 1977, these should not deprive New Zealand of outlets which are essential for it.' See *ibid.*, Vol. 25, March 1975, pp. 13 ff, for text of the Dublin Declaration; also the present writer, 'New Zealand and the EEC', *New Zealand Economist*, Vol. 37, No. 1, April 1975, pp. 3–4, and 'Where we stand with the EEC', *ibid.*, Vol. 37, No. 11, March 1976, pp. 7–9.

In effect, New Zealand obtained a redistribution of the total allocation among the three-year quota period. The quantities finally adopted by the Council of Ministers in June 1976 were 125,000, 120,000 and 115,000 tonnes for the three years in question—the Commission having made proposals to the Council of Ministers in June 1975 for the extension of butter arrangements under Protocol 18 until 1980.[9] The implicit degressivity again gave rise to concern, not least because Mr Walding had remarked in 1975 that continued progressive reduction would result in New Zealand butter being phased out of the British market by the 1990s. There can be no doubt that this is what some member states within the European Community desire. In addition, it is important to note that, under Article 5 of the 1976 Regulation, New Zealand's share of the British butter market for direct consumption is limited to 25 per cent. This, too, gave rise to concern given declining butter consumption in Britain. Butter in excess of the 25 per cent limit is subject to a special levy and must be used for other purposes.[10]

New Zealand has argued consistently that it has a moral right to continue exporting to the British market and some Ministers have suggested, unrealistically, that minor shifts in EC production patterns would afford outlets for New Zealand. Given that the number of dairy cows in the EC has been falling while production has risen and that the EC has made efforts to deal more effectively with over-production,[11] it may prove extremely difficult to accommodate New Zealand over the longer term for two reasons: first, because of changing UK patterns of butter imports; second, because there is farmer hostility in some of the EC member states to the imposition of co-responsibility schemes penalizing them for excessive production at a time when farmers from a non-member state have a special and guaranteed right to export to the EC a commodity in which the Community itself is self-sufficient. Remarks made during a debate on butter surpluses and their disposal in the European Parliament on 9 March 1977 by Mr Gibbons on behalf of the Group of European Progressive Democrats summarized some members' feeling that the maintenance of dairy imports from third countries, in particular New Zealand, was creating an 'untenable position'.[12] By contrast, New Zealand has argued that the remedy lies in a reorganization of and modifications

[9] See the present writer, 'New Zealand and the EEC 1978–80: the butter quotas', *New Zealand Economist*, Vol. 38, No. 6, September 1976, pp. 10–11.

[10] See the Modified Proposal of 14 June 1976 under Article 149, Paragraph 2 (EEC) of Council Regulation extending the transitional arrangements for the import of New Zealand butter into the United Kingdom.

[11] See *Bulletin of the European Communities* (Supplement 10/76), Action Programme (1977–80) for the progressive achievement of balance in the milk market (Brussels, 1976); also *The Times*, 21 April 1977.

[12] *Debates of the European Parliament*, 1977–78 Session, Annex to the Official Journal of the European Communities, No. 214, March 1977, p. 39. In the same debate, another British member, Mr Howell, pointed out that in 1975 the EC was 98 per cent self-sufficient in butter production.

to the Common Agricultural Policy (CAP). The logic behind this argument rests with the view of the CAP as protectionist, inefficient and discriminating against efficient third-country exporters. Mr Carter, New Zealand High Commissioner in London, noted in March 1977 that he deemed it grossly unfair that the levies imposed by the EC on New Zealand butter (29 cents per pound) meant that the higher price of butter to the consumer resulted in a drop in consumption.[13]

That New Zealand managed to obtain relatively favourable quantity arrangements for 1978–80 was partly due to Britain's 'renegotiation' and to the agreement in principle to divert New Zealand butter in excess of 25 per cent of Britain's needs to manufacturing. The extension of the commitment in Protocol 18 in respect of butter that this represented was achieved not simply because of the persuasiveness of New Zealand's arguments for a further extension, or because of the implicit provision for such an extension in Protocol 18, but because of the political undertaking to safeguard New Zealand's interests implied by the Dublin Declaration. Indeed, it can be argued that commitments to New Zealand are politically rather than economically inspired. Economically, as we have seen, from EC member states' points of view there is little to warrant a continuation of the derogation in New Zealand's favour. Prospects for dairy access after 1980 are not hopeful. Although the Commission is authorized to report to the Council of Ministers before 31 December on appropriate measures regarding butter imports from New Zealand after 1980, this is not proceeding rapidly.

Cheese and sheep meat exports

Where cheese exports to Britain are concerned, New Zealand has not managed to secure additional arrangements. New Zealand cheddar exports to Britain ceased at the end of 1977 as per Protocol 18. However, cheese stored and debonded[14] in Britain in 1977 is being sold this year. This is an important tactic by New Zealand since it failed to secure an interim bridging solution for its cheese exports to Britain between the ending of Protocol 18 and any measures arranged within the framework of the Gatt multilateral trade negotiations.

Although the access for butter and cheese has been New Zealand's major preoccupation, prospects for sheep meat exports have also given rise to concern. On the one hand, New Zealand had to adapt, while unsuccessfully resisting its stage-by-stage application to New Zealand sheep meat exports, to the Community's 20 per cent Common External Tariff. On the other hand, New Zealand has hoped—and Mr Muldoon reiterated this during his visit to Britain in April—that the EC would not introduce a regulation governing sheep meat lest this be to New Zealand's

[13] *The New Zealand Herald*, 7 March 1977.
[14] Debonded stocks are those on which the appropriate levies have been paid.

disadvantage at a time when its sheep industry accounts for 39 per cent of export income. However, there has been considerable pressure for such a regulation from some EC member states—notably Ireland. The Community has consulted New Zealand about a common sheep meat regulation, but New Zealand continues to argue against such a measure, fearing that prices will rise and consumption fall as a result. Indeed, it has been estimated that in Britain (which takes 70 per cent of New Zealand's lamb production)[15] a price increase of 10 per cent would reduce consumption by 11 per cent, assuming that the prices of other meats remained unchanged.[16] It is feared that there would be a sharp decline in British consumption were prices aligned to the French price which is some 50 per cent higher than the British price.[17] Moreover, it is calculated that EC production will be stimulated—with the Community being approximately 65 per cent self-sufficient—and New Zealand cannot hope to increase its sheep meat exports to Britain, but faces limited opportunities in other EC member states (despite a recent rise in exports), not least because of local provisions governing the sale of frozen meat, consumer preference and a tendency not to differentiate between lamb and mutton. By contrast, the prospects for wool, which is not subject to regulations, are bright.

Although New Zealand's relations with the Community have been, and even now tend to be, characterized by obsessions with dairy quantitative guarantees and access for New Zealand's produce to the EC, there are a number of areas in which steps can be taken to improve and extend the relationship. This is already beginning to happen under the consultation procedure where discussions have also broached questions relating to commitments in the South Pacific, for example. However, if the relationship is to become more useful to both sides then it is imperative for New Zealand to recognize that the Community is neither the only trader operating trade restrictions on agricultural produce, nor the major offender in this regard. EC agricultural exporters face formidable barriers on the North American and European markets; and EC manufacturing exports face barriers in New Zealand. While the need for reciprocity in trade is recognized, New Zealand still argues that access to Britain for butter and lamb is a matter of 'economic life and death'.[18] Indeed, in New Zealand, the notion of the country as a European farm in the South Pacific persists.

[15] *Financial Times*, 8 March 1978.
[16] *Newsletter on the Common Agricultural Policy*, June 1977, p. 6.
[17] *ibid.*, p. 4.
[18] New Zealand's Prime Minister, Robert Muldoon, quoted in *The Times*, 28 April 1978.

The Canada–India nuclear negotiations: some hypotheses and lessons

ASHOK KAPUR

IN the field of nuclear energy and arms control, contemporary North American advocacy of non-proliferation entails a mixture of the following prescriptions: (i) Developing societies ought not to think about their special needs concerning nuclear energy; (ii) It is all right for industrialized and industrializing societies to rely on nuclear energy but there should be multilateral agreement about supply conditions, preferably beyond the conditions accepted by the London Nuclear Suppliers Group (NSG) in 1978; there should be multilateral agreement against transfer of, and delay in implementation of, reprocessing and enrichment fuel cycles; and (iii) Nuclear suppliers have a right to require acceptance of their prior consent to reprocess and to enrich fuels as the price of their supply.

Today the multilateral debate hinges on the second and the third approaches. The Zangger Committee, a secret, informal, deliberative and reporting mechanism whose work was mostly completed in August 1974, dealt with the second approach, but the difference between its own and other attitudes is still unsettled. The NSG expanded and modified the second approach. Its Trigger List published in 1978 developed the Zangger list, adding to it restraints on technology transfers and further exports of sensitive technology. Because of French and West German objections, the NSG was unable to agree on the notion of full-scope safeguards as a condition of supply. Safeguards on items supplied using the principle of contamination (that whatever is touched by the safeguarded supply item is also safeguardable) are, however, accepted. The emphasis on safeguarding technology in the London meetings is mostly the result of Canadian thinking. It indicates Canada's influence on multilateral nuclear rule-making, but it does not necessarily explain the pattern of Canadian nuclear decision-making.

A study of the latter reveals the role of inter-ministerial differences in settling or prolonging nuclear debates and inter-state negotiations. When internal personal rivalries at the highest political level, only marginally connected with nuclear issues, shape inter-governmental nuclear negotia-

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tions, there is a new level of analysis which current studies on non-proliferation have not grasped. Inter-ministerial differences result in loss of 'political will'—a loss of political control over the negotiating process in the sense that, as negotiations become the plaything of officials, there is a tendency to 'over-negotiate' issues technically, that is, to revive old issues which were previously settled and excluded from inter-state negotiations and which were not a part of the political high-level mandate given to the negotiators. Until inter-ministerial differences are resolved, the political mandate to negotiate through a process of mutual concessions is absent or uncertain; consequently, a negotiated agreement between states is not likely in a climate of internal bureaucratic and political disputes.

In the Canada–India case, two alternative hypotheses may be considered. The first is that Canada's May 1976 decision to terminate its nuclear supplies to India was a consequence of the Canadian policy review in December 1974 after the Indian nuclear test in May 1974. The second is that the May 1976 decision was a consequence of inter-ministerial differences and manœuvres after the draft agreement between India and Canada had been negotiated in March 1976 in terms consistent with the December 1974 policy statement. These differences ranged over a number of issues, including nuclear policy, but they were submerged or only marginally present when Canadian officials received a mandate at Cabinet level to negotiate the draft agreement. However, they surfaced after the initialling of the draft agreement by India and Canada in March 1976 in accordance with the Cabinet directive. Though they referred to old arguments, the real significance of these intra-political and intra-bureaucratic differences lay in the emergence of a fluid internal political context in which the Canadian Government found itself after March 1976: for instance, Conservative Party opposition to Prime Minister Trudeau's nuclear policy became a useful focal point in Liberal–Conservative politics, as did the Quebec issue and the economic problems.

Usually, negotiations can be explained from three premises. First, governments seek desired results through negotiations; differences are gradually bridged through compromise; there is a give and take and thereby a movement towards agreement. Secondly, inter-governmental negotiations are not really meant to secure desired objectives; their real purpose is to fight internal territorial disputes, i.e. to shape and to strengthen intra-bureaucratic and intra-societal constituencies; policy disputes are used for this purpose and the outcome of inter-governmental negotiations is secondary in relation to that of intra-governmental ones. Thirdly, the negotiating process is used to redefine the existing problem and thereby to gain influence in both inter-governmental and intra-governmental debates. These observations can be applied to the negotiations between Canada and India, which between May 1974 and May 1976 moved from confrontation, through promising talks and a draft

agreement, to failure. A study of the patterns of Canadian nuclear decision-making in this case helps to throw some light on the negotiating process between governments, as well as having a particular bearing on other current negotiations between nuclear suppliers and recipients.

The 1974–6 negotiations

India exploded its nuclear device in May 1974.[1] The only physical casualty was an unfortunate crow which happened to be at the test site at the wrong time, but the psychological effect was enormous. The Canadian Secretary of State for External Affairs, Mitchell Sharp, at his press conference on 22 May 1974 revealed the strength of the reaction in Canada. Initially, there were suggestions that India had broken a pledge on peaceful uses which had been interpreted as a promise not to engage in peaceful nuclear explosions (PNEs). Ottawa claimed that the 1956 Indo–Canadian agreement excluded PNEs, although in fact it neither included nor excluded them because they were, at that time, hypothetical in terms of practical application. Nevertheless, violation of an agreement, betrayal of a trust placed in India, misuse of Canadian nuclear aid and a threat to the NPT system were the popular notions prevalent in Canadian thinking about the Indian test.

Mitchell Sharp subsequently clarified that India had not broken any agreement,[2] but the damage had been done because his emotional press conference had radicalized the public mood in Canada. 'Betrayal of trust' made some sense in so far as it referred to the August–October 1971 correspondence. When Mr Trudeau pointed out that the use of Canadian materials for the development of a nuclear explosive device would entail a reassessment of the Canada–India supply agreement, Mrs Gandhi had replied that the obligations were mutual and could not be unilaterally varied—a sound legal point. But she made the mistake of implying that the PNE issue was hypothetical for India. In so far as Canadian post-1971 perceptions were based entirely on this statement, it is arguable that there was a betrayal. But, on the other hand, since India had often talked about Indian PNEs in the abstract in international fora, and since Mrs Gandhi had pointedly rejected the Canadian effort in 1971 to redefine the peaceful uses clause of the 1956 agreement, these signals should have been heeded in Canadian policy planning in relation to India.

The notion that India had misused Canadian nuclear aid was also problematic. It may have soothed Canada's ego to think of its dealings

[1] For a discussion of the effects of the first Indian nuclear underground test of 18 May 1974, see Ashok Kapur, 'India's nuclear presence', *The World Today*, November 1974.

[2] On the contrary, it is arguable that Canada broke its nuclear supply contracts with India and destroyed the balance between supply and safeguards in the umbrella Canada–India agreement when it first suspended supplies in May 1974 and then terminated the agreement in May 1976.

with India in the mid-1950s as aid, but objective observers considered Indo-Canadian nuclear co-operation as a partnership from the beginning. India had options to buy a reactor elsewhere. In opting for the CANDU (Canada Deuterium Uranium) while Canadian reactor technology was still untested and developing, India became Canada's testing ground and eventual model for subsequent world-wide CANDU sales. It is arguable that the Indian test demonstrated the excellence of CANDU, a point which probably weighed in Argentina's and South Korea's CANDU purchases. Moreover, there was a significant counter-transfer of Indian nuclear know-how to Canada on the CANDU. To the extent that Indo-Canadian co-operation contributed to the Canadian learning curve, the notion of Canadian aid (with the implied patron-client relationship and one-sided generosity) is unwarranted. It is true, of course, that India's test undermined the NPT[8] system, but this aspect had nothing to do with the bilateral agreement. Still, in popular and government mythology, views about misuse of aid persisted and a calm assessment was impossible.

This was the background against which the two countries decided to re-negotiate their nuclear relations. In July 1974 officials from both countries met but failed to identify negotiable issues. After this deadlock, a Canadian mission led by Mr Ivan L. Head, then Special Adviser to the Prime Minister, and Mr Michel Dupuy, a senior External Affairs official, went to India to explore the terrain for negotiations. In January 1975, a negotiable area was found: it was agreed not to discuss the CIRUS reactor (which has a 40 thermal mW rating and is fuelled by natural uranium; plutonium from this reactor was reprocessed in the Indian-built and designed reprocessing plant at Trombay); Canada would resume deliveries of supplies contracted for prior to the Indian test; there was to be a negotiated termination of old contractual obligations but no new commitments were to be made; safeguards for RAPP (two Canadian-supplied reactors in Rajasthan) were to be clarified; finally, India promised not to have any more PNEs during the life of the resumed supply relationship. On 20 December 1974, Canada's new policy stipulated that safeguards would cover the following:

(i) all nuclear facilities and equipment supplied by Canada for the life of those facilities and equipment;

(ii) all nuclear facilities and equipment using Canadian supplied technology;

(iii) all nuclear material—uranium, thorium, plutonium, heavy water —supplied by Canada, and future generations of fissile material produced from or with these materials;

(iv) all nuclear materials, whatever their origin, produced or processed in facilities supplied by Canada.

[8] Treaty on the Non-Proliferation of Nuclear Weapons.

All but the second condition were met in the Canada–India negotiations. Regarding the second, the Indians claimed that Indian-built reactors were no longer Canadian even though the original technology had been Canadian: that is, they were not willing to concede that a donor could retroactively claim a proprietary right on technology transfers almost two decades after the transfers had occurred.

The next step was for Canadian officials to obtain instructions to negotiate from their political masters, after which negotiations started at two levels: political and technical. Much progress was made in Bombay during the spring of 1975 and in Ottawa during October–November 1975, although there were outstanding political issues and new problems had started to emerge. The bilateral negotiating climate was becoming clouded by international and domestic Canadian developments. By this time, the London Nuclear Suppliers Group meetings were underway. In London, Canada took a strong position in favour of tougher safeguards, particularly on technology transfers, even though the latter argument had failed to find favour in the Zangger Committee. Also, as Canadian negotiations with South Korea and Argentina had provisions which did not exist in the Canada–India negotiations, there was pressure to conduct all negotiations on the same basis. Finally, opinion in the House of Commons took an anti-proliferation stance, fuelled by India's supposed misuse of Canadian aid.

Yet, even though time seemed to be against India in the view of competent Canadian negotiators, the second Head–Dupuy mission visited Delhi in March 1976, and an agreement was initialled in terms of the mandate which this mission had received from the Canadian Cabinet. There was ad referendum protection on both sides and ultimately the initialled agreement had to be submitted to political leaders in both countries. Then, on 18 May 1976, the Canadian Government decided against accepting the initialled draft. At the time when the nuclear embargo was made permanent, the principal points in the agreement had been worked out but some of the fine print still needed work, and then the draft had to be steered through the International Atomic Energy Agency. Thus, after the initialling of the March agreement, the Canadian negotiators had to judge whether to continue negotiating to settle the fine print and take the draft to the IAEA thereby possibly facing more negotiations, or to test the political mood in the Canadian Cabinet. The latter route was taken. Clearly the mood in the Cabinet had changed between March and May 1976.

The decision was explained by Mr MacEachen, the Canadian Secretary of State for External Affairs, in the following words:

> Canada has insisted that any co-operation in the nuclear field be fully covered by safeguards which satisfy the Canadian people that Canadian

assistance will not be diverted to nuclear explosive purposes. This Canadian objective could not be achieved in these negotiations.

Both sides have made a concerted effort in good faith to reach a basis for agreement. However, the Canadian Government has decided that it could agree to make new nuclear shipments only on an undertaking by India that Canadian supplies, whether of technology, nuclear equipment or materials, whether past or future, shall not be used for the manufacture of any nuclear explosive device. In the present case, this undertaking would require that all nuclear facilities, involving Canadian technology, in India be safeguarded. We would be prepared to reach agreement with India on this basis only. In view of earlier discussions, however, we have concluded that the Indian Government would not be prepared to accept safeguards on other than the RAPP reactors, which are already under international safeguards.

In retrospect, it is obvious that the basis of the Cabinet decision and the negotiating brief varied. In negotiations leading to the March draft agreement, Canada did not insist on safeguarding the entire Indian nuclear industry. Even safeguards on CIRUS was a non-negotiable question, and this was so from the beginning. In the Minister's abovementioned statement that nuclear co-operation had to be fully covered by safeguards to satisfy the Canadian people, key nuances were involved. 'Fully covered by safeguards' could mean facility-oriented safeguards (known as INFCIRC/66 system as revised) rather than full-scope safeguards which cover the entire fuel cycle, a proposition which even the Nuclear Suppliers Group does not accept. In the Canada–India negotiations, the discussion centred on the former and it was even agreed that if India exploded a device the supply would end. The negotiations said nothing about satisfying the Canadian people. It is common sense that the Canadian people have neither the training nor the inclination to determine the validity of complex safeguards which are not foolproof anyhow, given the existing safeguards mechanisms. The Minister went on to link 'new' shipments to an Indian undertaking to accept full-scope safeguards and this would have injected a veto into Indian nuclear planning in perpetuity. It was debatable if fulfillment of old pre-May 1974 contracts was a 'new' Canadian commitment, given that the premise of the Canada–India negotiations after the May 1974 test was to find a graceful negotiated termination of the old supply relationship. Moreover, the political wisdom of linking the offer of resumed supply of about $30 m. (or less) in return for full-scope safeguards of Indian nuclear industry was doubtful. No real quid pro quo was being offered, and the initialled draft agreement had not required this condition. Finally, the Minister noted that India was only willing to accept safeguards in respect of RAPP. This point was also debatable because privately Indians in Ottawa had talked

about renouncing safeguards since the original Canada–India agreement was integrated regarding safeguarding and nuclear co-operation. Actually, this point had not really been argued; nor did Canada seek legal advice on it. The premise was that existing safeguards were weak and India would have the argument if not the right to repudiate RAPP safeguards if it chose to do so.

Some hypotheses

There are a number of possible explanations for Canada's behaviour and they are not mutually exclusive:

(*a*) The evidence suggests that Canada negotiated seriously and in good faith till March 1976 when the draft agreement was initialled. Nevertheless, Mr MacEachan's statement of May 1976 was a rationalization, because it referred to points which Canadian ministers knew since 1974 to be non-negotiable. The May 1976 decision was rooted in Canadian domestic political developments in the period from March to May 1976 and should not be viewed as a natural outcome of the December 1974 policy statement or of the pattern of bilateral Canada–India nuclear negotiations.

(*b*) During March–May 1976 Canadian ministers were pre-occupied with pressing domestic issues and intra-elite negotiations involving the Canada–India case; curiously these gained prominence after the Canada–India nuclear negotiations had been completed. Even though Canada enjoys considerable mandarin-type insulation from domestic influences in foreign and defence decision-making, once external issues had acquired domestic political dimensions the ministers were not prepared to make hard decisions which could secure agreement between governments but could not resolve the internal controversy. The solution chosen, viz., to cancel the initialled draft agreement and to terminate the supply relationship, was a means of killing the Canada–India controversy in Canadian domestic politics.

(*c*) The political basis of the Canada–India draft agreement changed because of developments in Canadian domestic politics during March–May 1976. The nuclear issue was one of many which the Conservative Party used to challenge the ruling Liberals. Would the Conservatives have attacked the Canada–India deal if they had been in power? Not necessarily, according to Conservative leaders who briefed the Indians. If they were in power (they said), they probably would have acted differently but, as an opposition party, their role was to criticize, and the Canada–India deal was useful in the inter-party political game. According to this explanation, the Liberal ministers lost their nerve. They did not want to add another difficulty to their already long list of problems in Parliament.

(*d*) Whereas the Cabinet had empowered the Head–Dupuy mission to

negotiate the March 1976 draft agreement, in view of changing domestic political conditions after March some of the Cabinet ministers aspired to take Prime Minister Trudeau's place and in May they hedged their position on the India deal.

(*e*) Moreover, new questions (about safeguards and the prospects of another Indian nuclear explosion) were raised by atomic energy officials when the Canadian political situation became fluid during March–May 1976. Why these officials did not raise these issues, say, six months earlier, or even when they briefed the Canadian negotiating team which visited India, remains a mystery. But it suggests that, when loss of ministerial cohesiveness and control is obvious to the bureaucrats, new questions can be raised even after a Cabinet-level mandate has been given to an official negotiating team. Accordingly, 'over-negotiations' meant loss of ministerial control over the domestic inter-party and intra-bureaucratic debate; it also meant that the inter-governmental negotiation was allowed to become a pawn in the game of competing officials, the only possible ministerial solution being to kill the issue rather than resolve it. Thus, the redefinition of issues which can occur if ministerial controversy is obvious to the bureaucracies is not necessarily calculated to secure conflict resolution between governments.

(*f*) The May 1976 outcome was the consequence of an altered Canadian perception of India's position in Canada's foreign relations. While the issues were debated in technical terms, the decisive element was that the nadir of Canada–India relations had been reached even before India exploded its device and in the prevailing circumstances there was no real incentive for Canada to improve its ties with India. That is, the factors which had induced Canada to emphasize India's position in the Commonwealth, in Asia and as a non-aligned state in the Cold War had altered in the 1960s and the 1970s. In as much as the nuclear relationship was a central part of Canada–India relations, its termination was intended to downgrade India's role in Canadian foreign policy.

(*g*) Canada had lost the balance in the policy of linking safeguards to a supply relationship. This explained the process and the outcome during March–May 1976, whereas the willingness to compromise, expressed in the initialled draft March agreement, revealed the balance.

(*h*) Finally, the opposition parties had an opportunity to make the Canada–India talks a political football in the domestic arena because the negotiations were unduly extended (two years): the proposals of March 1976 could have been framed much earlier if the officials had moved quickly. In effect, the protracted negotiations eroded the delicate balance between safeguards and supply relations; between political (bilateral) and technical considerations; and between external and domestic politics. Furthermore, the negotiations occurred in a glare of publicity and of a pointless controversy which neither enlightened nor resolved

the issues. In short, 'over-negotiations' created opportunities to sabotage the March 1976 draft agreement.

Lessons and implications

The Canada–India case offers some lessons. First, even if it was not so intended initially, the internal Canadian debate became the central element in the final outcome of the negotiations. There were two levels of in-fighting in Canada. At the technical and bureaucratic level, hard-line atomic energy controllers won over atomic energy reactor salesmen who had enjoyed a privileged position in Canada during the 1950s and the 1960s. The controllers' argument strengthened the safeguards constituency, but this did not necessarily help the anti-proliferation cause because today it is common sense that safeguards are good agreements only for good times, or even for old times, given existing technology.

The other level of in-fighting concerned the power structure in the Cabinet. The Cabinet was confronted with complex arguments: on one hand, the need to upgrade safeguards, on the other, the importance of maintaining, or gracefully phasing out, the nuclear supply relations; to seek non-proliferation through the preservation of leverage in a bilateral relationship which recognized the special interests of the parties concerned, or to seek anti-proliferation measures through public multilateral diplomacy; and, finally, to seek confidence through verification measures or by invoking political trust in inter-state relations. The second lesson of the Canada–India case was that in such a nexus of issues balance cannot be achieved without a stable power structure in the society concerned: until a society's power struggle is settled, controversial issues of national policy cannot be resolved. Even today, this aspect mars North American anti-proliferation decision-making. The constant shifts in the evolution of post-NPT multilateral diplomacy reflects the absence of a consensus about the goals and methods to cope with proliferation issues.

Thirdly, until intra-elite debates are settled, attempted problem redefinitions are not likely to resolve inter-governmental controversies. In the Canada–India case redefinition was partly explained by the need to respond to the Indian test. But there was a choice between two courses. The first one was to find a negotiated termination of the old supply relationship and the March draft agreement was based on this calculation. Old contractual obligations would have been fulfilled, future nuclear ties would be precluded as retaliation for the Indian test and the Rajasthan reactors would have had improved safeguards in return for Canadian supplies. The other course, as expressed in the ministerial statement of May 1976, went further: it killed the controversy within Canada but it also fanned Indian nuclear nationalism; it did not solve Canada–India differences and it failed to provide firm answers for multilateral anti-proliferation diplomacy.

The foregoing directs attention to a larger implication for the study of non-proliferation negotiations today. The outcome of the Canada-India negotiations cannot be explained only in terms of the Indian test. The rise of the anti-proliferation arguments in Canada was rooted in an evolution of post-NPT multilateral mechanisms, such as the Safeguards Committee, the Zangger Committee, the Nuclear Suppliers Group and subsequently the International Nuclear Fuel Cycle Evaluation conference. Thus it is arguable that the Canadian controllers would have gained ground in domestic arguments irrespective of the Indian test—even though the test gave them useful ammunition. Furthermore, the hardening of the Canadian anti-proliferation position was noticeable in nuclear supply relations with EURATOM states and Japan—all of which, with the exception of France, are under full-scope NPT safeguards. In December 1976, Canada suspended uranium shipments to these states and the embargo was lifted in 1978 after acrimonious renegotiations. The Canadian demand for renegotiations was strengthened by the American mood—a mood to use unilateral means, such as the threat of cutting off supplies, to secure the compliance of recipients even in the absence of a multilateral consensus about things like plutonium reprocessing. Admittedly, problems need redefinition in the light of international developments, but there is a point in objecting to the redefinition of international issues as a consequence of unsettled national power struggles. North American morality and sincerity is not in doubt, but the constant redefinition of objectives has marred post-NPT diplomacy and raised doubts about the analytical balance and the credibility of those who seek to lead. If North Americans wish to remain leaders they need not only to become reliable nuclear suppliers (instead of just talking about their reliability) but also to become good international citizens so that an international exercise in negotiation is not treated as an arena for domestic power struggles.

Finland between East and West

F. B. SINGLETON

The term 'Finlandization' has given rise to some misconceptions about the real nature of the policy which Finland has followed within the limitations of its particular situation.

THE near unanimity of the Finnish nation in supporting President Kekkonen's re-election for his fifth term last February suggested a continuation of the national consensus supporting the foreign policy which is known as the Paasikivi–Kekkonen line. There are, however, deep divisions over economic policy and other domestic issues—so deep that they resulted in the resignation (on 17 February) of the Sorsa Cabinet during the same week in which the Electoral College met to choose the President. This was not the traditional formal resignation which is offered to an incoming President, but one which arose from real disagreements within Mr Sorsa's coalition Government, over the extent to which the markka should be devalued, following Norway's 8 per cent devaluation of the krone a week earlier. Behind the devaluation crisis was a chronic economic problem, with the familiar symptoms of stagnation, unemployment, inflation and balance-of-payments deficit, indicating that Finland has not escaped the recession which afflicts the economies of the Western world. The President handled the crisis in the same decisive—even autocratic—manner in which he has dealt with the affairs of the score of governments which have served under him since he succeeded President Paasikivi in 1956. The Prime Minister, Kalevi Sorsa, withdrew his resignation and agreed to soldier on, though without the support of the Swedish People's Party, which objected to certain changes in parliamentary procedure that the Government proposed to introduce. The four parties remaining in the coalition (the Social Democrats, the Centre Party, the Finnish People's Democratic League and the Liberal People's Party) command 143 seats in the 200-member *Eduskunta* (Parliament), the only large group to be excluded being the conservative *Kokoomus* party, with 34 seats.

The apparent unanimity on foreign policy questions does, in fact, conceal differences of emphasis and interpretation between the parties to the electoral association which supported Kekkonen. These differences were

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muted during the election campaign, but they come to the surface from time to time when a stimulus, usually from outside, activates them. Factors which lie in the background and help to explain the nature of the debates on foreign policy include the overriding problem of Finland's relationship with its giant Eastern neighbour, the Soviet Union; the role of the Left, and especially the Communists, in Finnish politics since the Second World War; and the part which Finland plays in the so-called 'Northern Balance'.

The rapidity with which Finland was able to readjust after the war to the realities of its geopolitical position without serious internal upheaval is one of the remarkable political phenomena of the recent past. Between 1939 and 1945 this small country, then with a population of about four million, was engaged in three wars—the Winter War of 1939–40, when Finland stood alone against the Soviet Union; the Continuation War of 1941–4, when it fought as a co-belligerent with Germany against the same enemy; and a second Winter War in 1944–5, to expel the Germans from Lapland. With the 85,000 Finns who died in these three bitter campaigns many illusions were buried. There was to be no more talk of a Greater Finland, incorporating the Karelian Republic. Responsible Finnish politicians would never again echo the words of the Social Democrat Speaker of Parliament, Väinö Hakkila, who declared in July 1941:

> That nation in Europe which is the most fit for battle and the most efficient, the German nation, is now crushing with its steel army our traditional, ever treacherous and ever deceitful enemy.[1]

Merely to quote words such as these as a matter of historical record causes embarrassment, as it reminds middle-aged Finns of the painful road which the nation travelled a generation ago.

Three men reinterpreted the experiences which the Finns endured between 1939–45 and helped to educate the nation into an awareness of the realities of their situation. Mannerheim, the ex-Tsarist officer, who became first Commander-in-Chief of the Finnish Army and then President in 1944, initiated the armistice negotiations and the break with Germany. It is probable that, had Finland not taken this step in 1944 and waited until the final defeat of Germany, it would have been forced to follow the same post-war road as Hungary and Romania. J. K. Paasikivi and Urho Kekkonen worked together to prepare the ground for a reconciliation with the Russians. For Paasikivi, this was the continuation of a policy which he had advocated since Tsarist times. For the younger Kekkonen, it represented a change of heart, for he had been a fervent nationalist, and one of the three members of the Agrarian Party who

[1] Quoted by H. Hodgson in *Communism in Finland: a History and Interpretation* (Princeton, New Jersey: Princeton University Press, 1967), p. 195. Hodgson also quoted an Order of the Day issued by Marshal Mannerheim: 'The freedom of Karelia and Greater Finland is the goal which beckons us. . .', *ibid.*, p. 196.

voted against the ratification of the Peace of Moscow in 1940. In 1943, in a famous speech in Stockholm,[2] he first publicly advocated a future policy based on neutrality, good-neighbourliness with the Soviet Union and the preservation of Finland's independence. These are the foundations of the Paasikivi–Kekkonen line, and today few Finns would quarrel with them.

Different interpretations of neutrality

Disagreements arise, however, in the application of the policy to particular situations. This was well illustrated in the debate over the publication in the Soviet Union in the summer of 1976 of a controversial book, *Tridtsat let dobrososedstva* ('Thirty Years of Good-neighbourly Relations'). Attributed to T. Bartenev and Yu. Komissarov, believed to be pen-names, the work clearly had the blessing of the Soviet authorities; it was probably a kite-flying exercise to test Finnish reactions at a time when the policy of détente between the major powers was running into difficulties. The real issue was the status of Finish neutrality and the significance of the 1948 Treaty of Friendship, Co-operation and Mutual Assistance (known by its Finnish initials YYA) in the changed world of the late 1970s. The Treaty, which is the formal basis on which Finnish-Soviet relations are founded, recognizes Finland's desire to remain outside great-power conflicts, but it provides for consultation and joint action by Finnish and Soviet forces if 'Finland or the Soviet Union through Finnish territory' become objects of 'armed attack by Germany or any state allied with the latter'. The Treaty does not require Finns to fight outside their own territory, but merely that they will defend their homeland against an invader; that they will consult with the Soviet Union if there appears to be a threat of armed attack; and that Soviet military assistance will only be provided if there is 'mutual agreement between the Contracting Parties'.

The Komissarov–Bartenev thesis puts greater emphasis on the military clauses of the YYA Treaty, implying that they have the characteristics of a military co-operation agreement,[3] and questions whether Finland could maintain a neutral posture in the event of a serious conflict in which the YYA Treaty would be invoked. This view is also held by the left wing of the Finnish Communist Party, led by the pro-Soviet Mr Taisto Sinisalo. The paper which expresses his views, *Tiedonantaja*, ran several articles attacking the right-wing interpretations of the meaning of neutrality, and in particular the views of Max Jakobson, a former Finnish Ambassador to the United Nations and prospective candidate for the

[2] 'Good-neighbourliness with the "hereditary enemy"', speech to the Swedish Agrarian Union in Stockholm on 7 December 1943, printed in Urho Kekkonen, *Neutrality: The Finnish Position* (London: Heinemann, 1973), pp. 18–31.

[3] Ilkka Seppinen, 'The Bartenev–Komissarov debate in the Finnish Press, 1976', *Yearbook of Finnish Foreign Policy 1976* (Helsinki: The Finnish Institute of International Affairs, 1977), p. 22.

United Nations Secretary-General's post in 1971. Jakobson claimed that the Bartenev–Komissarov book represented a hawkish tendency in the Kremlin. The illustrated magazine *Suomen Kuvalehti* went even further and alleged that the book, and *Tiedonantaja*'s articles supporting it, attempted to destroy Finland's neutrality and to turn it into a Soviet satellite. In an interview with the present writer last February, Mr Sinisalo preferred to speak of 'an active policy of peace, based on the YYA Treaty', rather than of passive neutrality. Mr Sinisalo, however, does not always represent the views of the majority of Finnish Communists.

The division within the Community Party between the majority led by the Party Chairman, Mr Saarinen, and the minority led by its Vice-Chairman, Mr Sinisalo, was again ventilated at the 18th Party Congress in June. The quarrel does not directly concern foreign policy, and it is conducted in a curiously oblique manner. For example, at the Congress, Mr Sinisalo roundly denounced Eurocommunism, which he bracketed with 'Peking's disruptive activity' as an anti-Soviet attitude. Though Mr Saarinen did not take up the argument, he, in fact, practices 'Eurocommunism' in the sense that he supports participation in government with the Social Democrats, the Centre Party and other 'bourgeois' parties. Mr Sinisalo does not oppose Communist participation in principle, but he attacks it in practice. Unable to obtain unanimity on this question, the Congress did not put it to the vote, so that the views of both groups are set down in the Congress record. Mr Sinisalo would probably have been 60 votes short of a majority amongst the 500 delegates if he had pressed the matter to a vote. The main reason for his reticence is that the Soviet Union would be deeply embarrassed by an open split in the Finnish Communist Party, and prefers Mr Sinisalo, whose reverence for the Soviet Communist Party is unbounded, to remain sniping at the Chairman from within the ranks of the party until the political balance tilts decisively in his favour. This was obvious in the late 1960s, when Mr Sinisalo declared that he intended to run a parallel organization: his disagreement at the time was not only over the tactics of coalition governments but also reflected his disgust with the Saarinen wing's critical attitude to the Warsaw Pact invasion of Czechoslovakia. An open split was, however, averted after Mr Sinisalo had visited the Soviet Union for talks with Soviet party leaders.

To make the situation on the Left even more complicated, the two wings of the Communist Party belong to an electoral alliance called the Finnish People's Democratic League (SKDL), whose chairman, Ele Alenius, is a left-wing Socialist. In the Komissarov debate, the SKDL journal, *Kansan Uutiset*, contented itself with attacking Mr Jakobson, but did not attempt its own interpretations of the meaning of neutrality. There was, in fact, a tacit consensus amongst the majority in the three

main coalition parties—Social Democrats, Centre Party and SKDL—that there was nothing in this 'unofficial' Soviet book which should cause alarm, and that nothing had changed the basic understanding which existed between the Finnish and Soviet Governments concerning Finland's adherence to the Paasikivi–Kekkonen line.

The intensity of this short-lived debate indicates that there are underlying tensions, especially between the groups to the left and right of the present majority; and even with the majority there are differences of interpretation. These are not likely to assume serious proportions as long as President Kekkonen is at the helm, for his prestige both within his own country and in the Soviet Union is a sufficient guarantee of the maintenance of his policy. In a sense, Mr Sinisalo is right in talking of an active policy of peace, rather than of a passive neutrality. Since taking office in 1956, the President has changed the emphasis in Finnish foreign policy. The Paasikivi line was the starting-point, but Kekkonen has moved a long way from the passive, cautious neutrality of the first post-war decade. Under his leadership, Finland has shown that small nations can play a useful role in major world affairs. One example was Finland's initiative in the preparations for the 1975 Helsinki Conference on European Security and Co-operation. Although Soviet leaders had spoken about a European Security Conference 20 years earlier, it was Kekkonen who persuaded them to widen the scope of the Conference and to invite all the Nato members, including the United States and Canada. This was only one of a number of initiatives which he has taken in pursuit of an expanding foreign policy, based on a concept of active neutrality. He sees Finland's 'special status' as providing an opportunity to build bridges between East and West, both for its own advantage and for that of the world at large. The foundation of this 'special status' is the YYA Treaty and the recognition by the major powers of Finland's independence and neutrality.

'Finlandization'?

The policy is sometimes controversial and has led to misunderstandings. The most common misconception is summed up in the phrase 'Finlandization', which was given currency by Franz-Josef Strauss when attacking Willy Brandt's *Ostpolitik*. It implies subservience to the Soviet Union and a tendency to anticipate and comply with Soviet wishes even before they are formulated. There is little in President Kekkonen's record since 1956 to suggest that 'Finlandization' in this sense has any relevance.

In the 1978 Presidential elections, even the most right-wing candidates did not openly attack the basis of the YYA Treaty, although their attitude was less enthusiastic than that of the President. The opponent who gained most votes (8·8 per cent), Mr Westerholm of the Christian

League, was more concerned with temperance, anti-pornography and anti-abortion issues. He was also critical of Kekkonen's Middle Eastern policy, which he considered to be too anti-Israeli. The 'Poujadist' Mr Vennamo and the former Social Democrat, Mr Salonen, were opposed to Kekkonen on domestic and personal issues. The criticisms of the President's policy towards the Soviet Union are mainly on points of detail rather than on broad policy questions. For example, it is widely believed that the President, anticipating Soviet displeasure, leaned on Finnish publishers so that they did not produce a Finnish text of Alexander Solzhenitsyn's controversial *Gulag Archipelago*. However, any Finns who wished to read it could import a Finnish edition, produced in Sweden. Disquiet is sometimes expressed concerning the prompt return to the Soviet Union of political refugees who cross the frontier, and of hijackers. Regarding the latter, Finland is merely following the international understanding that hijackers should be returned to the country against which they have committed their offence. The former is a more delicate issue. Although the number who cross the heavily guarded frontier is small, and little publicity is given to their cases in Finland, there are mutterings on the right that Finland ought to take a tougher stand.

During the last 20 years there have been two occasions when Finland's relations with the Soviet Union have made international headlines. The first was in 1958, when the so-called 'night frosts' affair occurred. The Soviet Union recalled its Ambassador from Helsinki and made difficulties over the renewal of a trade agreement. Soviet displeasure was inspired to some extent by mistrust of the Social Democrat Prime Minister, K. A. Fagerholm, but was also related to big-power issues such as the Berlin crisis and the formation of the European Community, which were not matters in which Finland had any direct concern. The replacement of Fagerholm's Government in 1959 by a minority Agrarian administration was followed by the restoration of normal trade and diplomatic relations. The second occasion was the so-called 'Note crisis' in October 1961, when the Soviet Foreign Minister, Mr Gromyko, handed a Note to the Finnish Ambassador, expressing Soviet concern at the growing influence of West Germany in Nato and its possible implications for the security of the Baltic. The Note requested Finnish-Soviet consultations under Article 2 of the YYA Treaty, and also referred to the anti-Soviet tone of some Finnish newspapers. President Kekkonen visited Mr Khrushchev in Novosibirsk, and persuaded him that a formal invocation of the YYA Treaty would upset the delicate 'Northern Balance'. Khrushchev agreed to drop the matter, but left the impression that the return of Kekkonen in the forthcoming elections would reassure the Soviet leaders about Finland's stability and goodwill—of which fact Kekkonen's supporters were not slow to remind the electorate.

The Northern Balance

An important aspect of Kekkonen's policy concerns Finland's relations with its northern neighbours. The so-called 'Northern Balance'[4] is based on the unspoken assumption that Sweden's neutrality is balanced on the West by Norway's and Denmark's membership of Nato, and on the East by Finland's special relationship with the Soviet Union. But Kekkonen does not see this as a static concept in a changing world. In 1963 he advocated the formation of a nuclear-free zone in Scandinavia, and this led eventually to the establishment in 1975 by the Geneva Disarmament Conference of a working group under a Finnish Chairman, to examine the feasibility of this and other similar nuclear-free zones. The proposal was not welcome in Norway which, although at present not possessing nuclear weapons, does not wish to close its nuclear options. The Norwegians were not too happy either about another of Kekkonen's proposals for the neutralization of the Norwegian-Soviet border in the Arctic. There was even more disquiet in Norway when Finnish sources—not the President, however—discussed the possibility that Norway might leave Nato.

Official Norwegian opposition to Kekkonen's views on the nuclear-free zone and the non-alignment of Scandinavia has been more outspoken than that of the Swedes, but nevertheless both the Swedish Prime Minister, Mr Fälldin, and his predecessor, Dr Palme, treated the Finnish proposals with reserve. In an address to the Swedish Institute of International Affairs on 8 May 1978, President Kekkonen took his proposals for a nuclear-free zone a stage further by advocating that 'the Nordic countries should in their own interest enter into negotiations among themselves and together with the great powers. . . The objective would be a separate treaty arrangement covering the Nordic countries which would isolate them as completely as possible from the effects of nuclear strategy in general and new weapons technology in particular.[5]'

Another of Finland's initiatives which has met with a cool response amongst its Nordic neighbours concerns the economic development of the North Cap region of the Arctic, embracing the Arctic regions of Norway, Sweden and Finland. Finland's interests in this area differ somewhat from those of its two neighbours.

> For Sweden and Norway it would appear that a labour shortage will be the primary problem in the near future: both countries will meet this demand with foreign [?Finnish] labour... For Finland, the overall picture is different. In the near future, Finland is likely to have a considerable unemployment problem, and emigration does not appear to be on the wane.[6]

[4] For the concept of the Northern Balance, see George Maude, 'Finland's security policy', *The World Today*, October 1975.

[5] *The Helsinki View* (Finnish Embassy Press Bulletin), 10 May 1978, p. 2.

[6] Paavo Väyrynen, 'Economic co-operation in the North Cap area', *Yearbook*, *op. cit.*, p. 8.

Some degree of co-operation has been achieved through the North Cap regional committee of the Nordic Council,[7] but Finland's proposals appear to be too broad in scope and too adventurous to appeal to the cautious Swedes and Norwegians. The Finns have spoken of bringing the Soviet Union into the picture. In the Finnish view, the North Cap area should include 'the part of the Soviet Union north of the Arctic Circle and west of the White Sea',[8] i.e. Murmansk, Petsamo and the Kola Peninsula. The Finns have also expressed an interest in the Norwegian-Soviet discussions about oil, mineral and fishing rights in the continental shelf area extending northward to Spitzbergen, and in the security aspects of the North Cap area and its adjoining Arctic waters. From the Finnish point of view, the policy makes an integral whole—neutralization of the Soviet-Norwegian border, a nuclear-free zone and a policy of regional economic co-operation between the four North Cap states. The Norwegians and Swedes are too suspicious of Soviet intentions to embrace this view with any enthusiasm. They point to the Soviet nuclear submarines based at Murmansk and the recent activities of Soviet submarines based in Latvia in the Baltic. The Finns, however, insist that they are primarily interested in the economic and social aspects of the North Cap project, and that this should not be confused with the separate issue of a nuclear-free zone, embracing all the Scandinavian countries. They are hurt by the suggestions in right-wing circles in Scandinavia that there are wider implications, and that the Soviet Union may be using Finland as a Trojan horse in order to upset the strategic balance in the North. To counter fears on both sides that a power vacuum exists in Finland's Arctic region, there has been a noticeable strengthening of the Finnish army in Lapland

Finland and the United Nations

In 1955, the last year of President Paasikivi's tenure of office, Finland was admitted to membership of the United Nations along with 15 other new members. Until the mid-1960s, Finland played a passive role, cautiously abstaining on controversial issues, but during the last 15 years Finnish representatives have become increasingly active in many aspects of UN work. In 1968 Finland was elected to serve for two years as a non-permanent member of the Security Council, but in 1971 the candidature of its Ambassador, Max Jakobson, to succeed U Thant failed, mainly because of Soviet opposition. Finland's outstanding contribution to the work of UN peacekeeping operations includes providing a UN mediator and a UN commander in Cyprus, the present commander in Suez, troops in Cyprus and the Middle East, and observers in Lebanon, Kashmir and Laos. A complement to its support for UN peacekeeping initiatives has

[7] On the activities of the Nordic Council, see Bengt Sundelius, 'Nordic co-operation: a dead issue?', *The World Today*, July 1977.

[8] Jaako Blomberg, 'The security policy of the northern sea areas from the Finnish point of view', *Yearbook, op. cit.*, p. 5.

been Finland's energetic pursuit of disarmament and its opposition to nuclear arms proliferation, notably in acting as host for the Strategic Arms Limitation Talks (Salt) and the Helsinki Conference on Security and Co-operation in Europe. The Finns have always accepted the principle of universality of UN membership, supporting the candidature of states such as China, North Korea, Vietnam and East Germany, often in the face of Western disapproval, as well as supporting the West in resisting attempts to expel South Africa. However, while Finnish delegates in recent years have been outspoken in condemning apartheid and the abuse of human rights in Chile, their attitude to such matters as the Soviet-led invasions of Hungary and Czechoslovakia has been to support calls for the withdrawal of foreign troops, but to abstain from general denunciations of Soviet policy.

East-West economic co-operation

Détente, to which Finland has made its own distinctive contribution, has provided it with opportunities to act as a bridge builder and to explore possibilities for East-West co-operation in economic, social and political fields.

Finland is in the unique position of enjoying a treaty relationship with both Comecon and EEC. In May 1973 it became the first—and remains the only—market economy to enter into an agreement with Comecon.[9] Later in the same year this was balanced by an agreement with the EEC.[10]

The Comecon agreement provides for the exchange of information and for technical co-operation, but, as has recently been apparent in its discussions with the EEC, Comecon is not in a position to make trade agreements on behalf of its members. There are, however, a growing number of bi-lateral trade agreements between Finland and the Comecon countries. The most recent is with Poland, which has been Finland's main supplier of coal since 1926, when the General Strike cost Britain its Scandinavian coal trade. When the Finnish Prime Minister visited Poland last May, he expressed the hope that the £250 m. trade deficit would be reduced by a growth in Polish imports from Finland. Unfortunately Finland has a greater need of Poland's coal than Poland has of Finnish manufactured goods. Trade with Comecon countries accounts for 19·5 per cent of Finland's exports and 21·9 per cent of imports, compared with 14 per cent and 14·8 per cent respectively in 1973. This is considerably less than the trade with EEC countries (40·1 per cent of exports and 37·5 per cent of imports in 1977) and Efta (23·8 per cent exports and 22·7 per cent imports).

Most of the Comecon trade is with the Soviet Union which buys metal

[9] Agreement on co-operation between Finland and CMEA. Bank of Finland, *Monthly Bulletin*, June 1973, pp. 1–2.

[10] See F. Singleton, 'Finland, Comecon and the EEC', *The World Today*, February 1974, pp. 64–5.

goods, ships, wood products and consumer goods, and sends oil, g electricity and coal. The domination of the Finnish energy market by t Soviet Union is a matter of some concern, as Finland is deficient in fos fuels and its industries are heavily dependent on Soviet imports. As lo as the present world economic crisis continues, Finland will be increa ingly compelled to depend on the Soviet Union and its Comecon partne for essential imports. In recent years, a number of joint Finnish-Sov construction projects have been started on the Soviet side of the border often in areas of Karelia which formerly belonged to Finland. O example is the Kostamus project, in which Finnish expertise is being us to develop an iron ore mining and processing complex across the Sov border, linked to an iron and steel plant in Finland. Other joint projec include electric power generation, woodworking and the building roads. These so-called 'project exports' have provided employment f workers from depressed areas in Finland, and have contributed Finland's favourable trade balance with the USSR.[11]

Finland would like to be seen as a link between the Soviet and Scand navian economies, in the creation of 'a new community of interests ... the framework of which the established system of Finnish-Soviet re tions will also acquire new dimensions'.[12] This concept of Finland as t link between East and West extends beyond the economic sphere. fact, it is regarded as a vital underpinning of Finland's security and ind pendence. There are already historical ties of long standing with Scand navia, especially with Sweden, under whose rule the Finns were govern for almost seven centuries before 1809. The Swedish-speaking minori is shrinking as a proportion of the population, having fallen from 7·4 p cent to 6·4 per cent between 1960 and 1975, but, to offset this, there a now 300,000 Finns working in Sweden, and there are close ties on soc and cultural matters with all the Scandinavian countries through t Nordic Council.

During the last two decades, there has been a gradual development closer links with the Soviet Union, and a change of attitude towards th Slav neighbours by many Finns. President Kekkonen has played important part in changing the negative and purely defensive attitude the past, and in creating a more relaxed and self-confident approach.

In the political sphere, this change is particularly noticeable among the Social Democrats. In the 1962 Presidential elections, the Party su ported a rival candidate to Kekkonen; the first proposal for Kekkonen re-election in 1978 came from the Social Democrats in 1975. In the inte vening 13 years, the Party had shifted to the left, replacing the veter anti-Soviet leader, Väinö Tanner, with younger and more open-mind

[11] 'Finnish trade exports in the Soviet Union'. Bank of Finland, *Month Bulletin*, March 1975.

[12] Keijo Korhonen, 'Finland as a neighbour of the Soviet Union', *Yearbo op. cit.*, p. 13.

politicians. It entered into coalition governments with the SKDL and helped to heal the breach between the Communists and non-Communists in the trade unions. Kalevi Sorsa, the present Prime Minister, has been active on the international field, in promoting links at party level with the Soviet and East European Communist Parties. His proposal that the Socialist International should begin a dialogue with the Communist-led workers' parties of both parts of Europe was received coolly, however: memories of past conflicts with Communists are too deep amongst Social Democrats in Western Europe to make such a dialogue acceptable at present. Nevertheless, Mr Sorsa scored something of a triumph in persuading the Socialist International to hold a conference on disarmament in Helsinki in April 1978, to which Mr Boris Ponomarev from the Soviet Union and one of Mr Andrew Young's deputies from the United States were invited as observers.

Curiously, discussion of Eurocommunism and the relations between Communists and Social Democrats is less well developed in the forums of the SKDL than amongst Social Democrats. In recent talks with leaders of the left-wing groups in Finland, the present writer received the impression that the SKDL Chairman, Dr Ele Alenius, would be happy to encourage such a dialogue. He has himself participated in discussions with Eurocommunists and has presented a paper on Eurocommunism at an international seminar in Yugoslavia. The Communists within the SKDL, however, are reluctant to open this Pandora's box in view of the balance of forces within the party between the moderate majority and the 'Taistoist' minority. Mr Sinisalo takes the view that Eurocommunism is an anti-Soviet movement. While his faction hopes to gain support from the working classes in the forthcoming debates on economic policy, his opponents feel that a debate on Eurocommunism would confuse the issues and possibly strengthen the Taistoists. One has the impression that Mr Saarinen, the majority Communist leader, has more in common with Dr Alenius and Mr Sorsa than with his militant comrade, Mr Sinisalo.

The significance of all these disagreements on the Left for the future of Finnish foreign policy is not clear, but they are not likely to produce any important changes whilst President Kekkonen is in charge. His own Centre Party (formerly the Agrarians) has given solid support to whatever policies he has advocated, and under his guidance it has shifted into a more radical posture on foreign affairs. In domestic matters, it remains a party acting in the interests of farmers and small businessmen, but the Soviet Union finds no difficulty in accepting its leader as the guarantor of Finnish-Soviet friendship and co-operation, just as earlier it accepted the ultra-conservative banker Paasikivi. The conservative opposition party, *Kokoomus*, is allied to big business and has strong Scandinavian links, but gives tacit support to the Kekkonen line.

President Kekkonen's great achievement has been to discover areas of

activity where a small nation, overshadowed by the Soviet Union, can take initiatives in international relations, whilst at the same time preserving its neutrality and independence. The atmosphere of détente, to which he has made a notable contribution, has increased the possibilities for a distinctive Finnish foreign policy. The advocates of the old 'two camps' theory find it difficult to understand that Finland is not a tame camp follower of the Soviet Union, and do not distinguish between 'Finlandization' and common-sense realism. Finland displays the characteristics of a lively, civilized Western-type democracy, beset, but by no means overwhelmed, by serious economic and social problems, which has come to terms with its unique geopolitical situation.

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Note of the month

NON-ALIGNMENT'S DILEMMAS

The decision to hold the next non-aligned summit, scheduled for September 1979, in Havana, Cuba's capital, was almost certainly the most important taken by the Foreign Ministers of the non-aligned countries who met in Belgrade from 25 to 30 July. For Cuba and its chief ally and backer, the Soviet Union, the decision was a great prestige and propaganda success. But over and above that, because of the key role that the host country always plays in gatherings composed of so heterogeneous a membership in the preparation of the agenda and the drafting of the documents, the choice of Cuba as the venue for the next non-aligned summit gives the Soviet bloc a real opportunity to influence its outcome. By the same token, the decision should be seen as something of a setback for the steadily increasing number of the movement's members who have been dismayed at the growth of this Soviet ally's influence within the grouping and have been trying to check it.

Misgivings about Cuba's place and role in the non-aligned grouping have been growing apace since the original decision to hold the 1979 summit in Havana was taken at the last summit in Colombo, the capital of Sri Lanka (formerly Ceylon) in August 1976 (see *The World Today*, December 1976). The reason for these misgivings has been the rapid expansion of Cuba's military involvement in Africa since its first, spectacularly successful intervention on the side of the Marxist regime of President Agostinho Neto in Angola in 1975–6. At the time, the majority of the non-aligned, not just in Africa but elsewhere too, applauded the Cuban role in defeating Neto's Western-backed rivals. Among those actively involved on the Neto side alongside Cuba were Yugoslavia and a number of African countries.

That the continued presence of some 50,000 Cuban military personnel in Angola, Mozambique and latterly Ethiopia is now no longer welcome to a number of erstwhile Cuban supporters among the non-aligned was clearly demonstrated at the summit of the Organization of African Unity in Khartoum. Held on the eve of the Belgrade conference from 19 to 22 July, the OAU summit was in a way a dress rehearsal for Belgrade by virtue of the fact that the forty-nine states represented at Khartoum accounted for over a half of the non-aligned movement's total strength of eighty-eight. Cuba's role in Africa since 1976 came under some criticism. A call for Cuba's expulsion from the non-aligned grouping came from Somalia, once a protégé of the Soviet Union and Cuba, but latterly a sufferer from the Soviet bloc's active military support for Somalia's bitter rival, Ethiopia, in the military contest for the Ogaden region in the

Horn of Africa. But an equally strong stand was taken by left-wing states such as Mozambique, Angola, Ethiopia, Libya, Algeria and others against the dispatch of the (admittedly smaller and less active) 10,000-strong French military force to Africa as a result of pacts with the former French colonies and pro-Western states such as Zaire. The split within the OAU ensured that the Khartoum summit confined itself to a very general condemnation of the 'policy of force and intervention regardless of the source'. Implicitly, this conceded the right to every sovereign state to go on inviting foreign helpers, whether they be from the West or the East.

The host of the Belgrade conference, Yugoslavia, had already voiced its own misgivings about Cuba's role in Africa and the non-aligned movement in general at the Yugoslav Communist Party congress held also in Belgrade from 20 to 23 June. Three senior Yugoslav figures condemned Cuba, though without mentioning it by name. Mr Milos Minic, a member of the party Presidium and until earlier this year the country's Foreign Minister, criticized those who wanted the non-aligned to fight 'imperialism', 'colonialism' and 'neo-colonialism' (codewords traditionally denoting the West), but not to fight 'hegemonism' (a newer term for Soviet-style imperialism). Similar rebukes to Cuba and, indirectly, its sponsor, the Soviet Union, were delivered at the congress by Mr Josip Vrhovec, Minic's successor as Foreign Minister, and by General Nikola Ljubicic, Minister of Defence since 1967 and a very influential member of the party hierarchy. Behind the scenes of a meeting held in Havana in May to prepare the Belgrade meeting of non-aligned, the Yugoslavs had clashed with the Cubans. A report in the Yugoslav daily *Politika* on 17 May claimed that the Cuban draft of the final document for Belgrade was 'nothing but an attempt to impose one's own ideas'.

Yet at the Belgrade conference in July Yugoslavia was not one of the protagonists in the numerous verbal contests between Cuba and its supporters on the one hand and the worried moderates on the other. President Tito, in his opening address on 25 July (*Borba*, 26 July), made an impassioned appeal to the non-aligned countries to 'oppose new forms of colonial presence or new forms of bloc dependence, primarily in Africa' and 'not to allow anyone at all to threaten the solidarity of the movement and blunt the sharp edge of its basic orientation and unity of action'. But neither he nor the Foreign Minister, Mr Vrhovec, who presided over the conference made a direct reference to Cuba or the Soviet Union. Quite clearly, President Tito, the elder statesman of the non-aligned countries and the man who hosted the first ever non-aligned summit in Belgrade in 1961, is not anxious to see the grouping, which has been one of the most important bases of Yugoslavia's foreign policy, split. Also, Yugoslav leaders are not prepared to make their already uneasy and strained relations with their powerful neighbour, the Soviet Union, still more difficult by an open confrontation over Cuba's role in the Third

Vorld. This anxiety not to offend Moscow can also be gleaned from 'resident Tito's willingness to follow this month's visit to Yugoslavia by Chairman Hua Ko-feng with a meeting with President Brezhnev.

Some of the ministers attending the Belgrade meeting showed more tomach for having it out with Cuba and its friends. The sharpest attack ame from the Egyptian Minister of State for Foreign Affairs, Mr lutrus Ghali. He criticized non-aligned countries that had allowed hemselves to become 'tools of a certain big power's policy which has its wn designs in the Horn of Africa'. Similar criticisms were made by 'aire, Somalia and some other moderates as well as by the ultra-revolu- ionary but anti-Soviet, anti-Cuban and above all anti-Vietnamese Cambodia. But Cuba, sensing that it would come under fire in Belgrade, ad sent a high-powered delegation there which included not only the ountry's Foreign Minister, Isidor Malmierca, but also the Vice- 'resident and member of the party's Politburo, Mr Carlos Rafael Rod- iguez. In his speech Mr Malmierca rejected criticisms of Cuba as njustified and unfair. He said that Cuba did not want any African terri- ory. He also recalled that in 1976 some of those criticizing Cuba now rere fully behind its intervention in Angola. In a speech in Havana on Cuba's national day, 26 July, Fidel Castro scornfully referred to the ifteen or so countries' whose speeches at the Belgrade conference had een 'written by the Americans'. A similarly spirited counter-attack came om the other prominent pro-Soviet country, Vietnam, which was eceived into the membership of Comecon, the Soviet Union's economic rouping, in June and is already seen by some of the non-aligned noderates as playing Cuba's African role in Asia.

The final 19,000-word declaration adopted on 30 July in Belgrade eflected the deep split within the non-aligned that stood in contrast to he conference's slogan 'Unity is the cornerstone of our strength' and its mblem showing five continents linking arms. The document's revolu- onary rhetoric could not conceal the grouping's increasing loss of even uch cohesiveness as it once had as an anti-Western pressure group. Now that many non-aligned states feel themselves threatened, either irectly by the Soviet Union or by its friends (notably Cuba and Vietnam), ome of the smaller members obviously wish for themselves more free- om in choosing whom to call in to protect them—even if that means uilding up new friendships with the formerly reviled ex-colonial powers nd the United States. On the other hand, they are reluctant to walk out, aving Cuba and Vietnam in charge. Their staying means that they will peak out increasingly against the new 'socialist imperialism', but whether his new voice of moderation and even-handedness between East and West can prevail against the loud revolutionary noise accompanied by nilitary activism from the pro-Soviet side remains to be seen.

K. F. Cviic

The battle for the Horn: Somali irredentism and international diplomacy

JAMES MAYALL

BETWEEN July 1977, when the West Somali Liberation Front (WSLF) effectively secured control of the Ogaden plain, and 9 March 1978, when President Siad Barre announced that he would withdraw Somali forces from Ethiopian territory, Somalia came closer than at any time since 1960 to realizing one of the cherished aims of the Somali nationalist movement—the incorporation of the Ogaden Somalis within a single polity, or at least their liberation from 'foreign' rule.[1] That they failed was primarily due to massive support for the Ethiopian armed forces by the Soviet Union and Cuba, and the failure of the United States and its allies to come to Somalia's assistance. Both of these developments, however, need to be viewed as much within the context of the African diplomatic system as in simple terms of East-West rivalry. Put bluntly, the Somalis appear to have gambled that they would be able to replace Soviet with American patronage after the abrogation of their Treaty of Friendship with the Russians and the expulsion of Soviet experts in November 1977, and that they could safely ignore African diplomatic opinion with its traditional bias against territorial revision. By early February 1978, when the US Secretary of State, Cyrus Vance, announced that the United States would only arm Somalia if the Ethiopians crossed the frontier[2]—he had apparently been assured by the Soviet Government that they would not—it was already clear that they had lost on both counts.

Admittedly, in the autumn of 1977 the risks of alienating African opinion cannot have seemed very serious. Although Somalia's irredentism has always bedevilled its relations with other African states, particularly with Ethiopia and Kenya, by 1977 the Organization of African Unity (OAU) was so deeply divided on a series of fundamental issues that it

[1] From independence onwards the Somalis have dreamed of a Greater Somalia including also Djibouti and the Northern Frontier District of Kenya, but it is the Ogaden which is most firmly entrenched in Somali affections and whose population has most consistently resented what it regards as foreign occupation. For the historical background to the current disputes in the Horn of Africa see I. M. Lewis, *The Modern History of Somaliland: From Nation to State* (London: Weidenfeld and Nicolson, 1965); also the series of articles by Richard Greenfield in *West Africa*, 26 September, 3 and 17 October, and 5 December 1977.

[2] USIS/ICA Press release, 11 February 1978. This was an agreed Western position.

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could not hope to exercise a decisive influence on events. The partition of Western Sahara between Morocco and Mauritania, while not strictly comparable, had already breached the principle of the inviolability of colonial frontiers, and nearer home several OAU members, including Sudan whose President was the Chairman-designate of the organization, made no secret of their support for the Eritreans in their parallel struggle against the Ethiopian Government. In any case, the wrangling within the OAU over the issue of foreign intervention in Angola had left deep scars and a group of states had emerged which appeared to regard Soviet and Cuban expansionism as a more immediate threat to political order in Africa than any tendency from within the continent to disregard the principles of the OAU Charter. Moreover, with ten out of the fourteen provinces of Ethiopia in a state of armed insurrection against the Dergue, were there not reasonable grounds for doubting whether the normal rules of African diplomacy still held? Certainly several members had already questioned the desirability of the OAU continuing to maintain its headquarters in Ethiopia so long as the central Government could not itself maintain public order. In any event, since Somali governments had always failed to win international support for their territorial ambitions in the past, it is perhaps not surprising that the Somalis now chose what must have seemed particularly propitious circumstances to press their claims.

Failure of OAU mediation

First blood in the diplomatic struggle, as on the battlefield, also went to the Somalis. On 2 August 1977 the Ethiopians failed to secure the necessary two-thirds vote when they attempted to convene an emergency session of the OAU Council of Ministers to consider what they insisted was Somali aggression. But the Somalis were unable to capitalize on this success. Their argument that Ethiopia—the last traditional conquest state in Africa—had participated in the nineteenth-century partition along with the European powers gaining the Ogaden in the process, and that in consequence the WSLF was as legitimate a liberation movement as any in Southern Africa, failed to impress the eight-nation mediation committee which met in Libreville between 5 and 9 August 1977.[3] After the withdrawal of both the Somali and Ethiopian Foreign Ministers, the committee passed a resolution reconfirming the inviolability of African frontiers and condemnation of all forms of political subversion. While the OAU and individual African leaders continued to seek a negotiated settlement, once the traditional OAU position on African boundaries had been underlined in this way subsequent attempts at mediation were inevitably doomed.

[3] The ad hoc committee which was set up in 1973 is chaired by the Foreign Minister of Nigeria with representatives from Liberia, Senegal, Sudan, Cameroons, Tanzania, Mauritania and Lesotho.

It was presumably just because the Somalis knew that the chances of securing diplomatic support in Africa for a policy of boundary revision were remote that Siad Barre's Government insisted until the last moment that they were not directly involved in the Ogaden, and that their support was for the right of self-determination for the Ogaden Somalis and not necessarily for their incorporation in the Somali state. Indeed, it was only on 10 February 1978, after the Ethiopian counter-offensive had begun, that the Somali President publicly committed the regular army to the struggle.[4] And it was only on 5 March, four days before the Somali withdrawal when the Ethiopians had already recaptured Jijiga, that he committed the 2,000-strong strategic reserve.[5] Prior to these developments, which in the circumstances must seem little more than heroic gestures, Somali diplomacy had aimed at by-passing the African states from whom in any case little could be expected by way of material support by appealing directly to the Islamic and Arab worlds and to the United States.

Attempt to reverse alliances

But the failure to establish the justice of their case in Africa also undermined the Somali attempt to reverse alliances. Somalia, which in 1974 had been the first African state to conclude a long-term Treaty of Friendship and Co-operation with the Soviet Union, was, after all, a rather recent convert to the anti-Soviet camp. Indeed, even had there been no question of principle involved it might have been difficult to secure effective American assistance in time to counter the Ethiopian offensive in February. As it was, however, the issue of principle stood in the way of any unambiguous American commitment from the start.

The Arab world was also constrained: although the majority of Arab states individually declared their support and provided financial and some material support, the Arab League, which had other problems in the field of Afro-Arab co-operation, refrained from endorsing the Somali position. The Somalis therefore concentrated their efforts on Saudi Arabia, Egypt and Iran, three states which might be expected to carry some weight in Washington. At the beginning of the year, amid claims that the Ethiopians were bombarding the towns of Hargeisa and Berbera from the air, and after personal diplomacy by Siad Barre, their leaders were reported to have urged President Carter to reverse his policy on the Horn during his New Year visit to Teheran.[6] But the Shah's announcement on 2 January that Iran would not stand idly by if Ethiopia

[4] *Africa Research Bulletin*, 1–28 February 1978, p. 4742.
[5] *ibid.*, 1–31 March 1978, p. 4773. Despite Somali protestations that before this they were not directly involved, there is little doubt that there was substantial reinforcement of the WSLF from Somalia. In May 1977 the strength of the Front was estimated at 5,000; by mid-July it was able to take on an army of 50,000. See *New York Times*, 21 January 1978.
[6] *Financial Times*, 3 and 6 January 1978.

attacked Somalia fell well short of what the Somalis must have hoped for. Since the statement had evidently been cleared with the Americans,[7] and since American permission would have in any case been required before Iran or Saudi Arabia could have transferred items of military equipment such as Phantom jets from their own armed forces, it was clear that they were not in a position to underwrite the Somali conquest of the Ogaden, or even, as some observers had anticipated, to act proxy for the Americans in an arms length confrontation with the Soviet Union.[8]

From the Somali point of view, everything now turned on whether the Americans and their allies could be persuaded that the scale of the Soviet involvement in Ethiopia represented a greater threat to Western interests in the Middle East and the Red Sea than the damage that might be done to the West's relations with African countries generally if the United States was seen to be condoning Somalia's attempt to break up the Ethiopian state. As if to remind the Western powers of the African position on such matters, the OAU issued a deliberately hostile press statement in response to the Shah's pronouncement. Not only was Iran advised to 'address herself to the question of finding a peaceful solution to the crisis . . . and assist the OAU in this task rather than preoccupy herself with hypothetical situations which tend to cloud the issue' but it was also implicitly accused of trying to internationalize an essentially African conflict and explicitly of betraying African interests by continuing to supply oil to South Africa.[9] There is no available evidence that Western diplomacy in the Horn was at any stage directly linked to its efforts in Southern Africa, but it cannot have escaped the notice of either the US State Department or the Foreign and Commonwealth Office in London that a policy of support for Somalia in the interests of containing Soviet expansionism would run the risk of forfeiting African support in their attempts to secure a negotiated transfer of power in Rhodesia and Namibia. In any event, in the end, it was the orthodox OAU view of the conflict which prevailed in Western capitals as in Africa itself.

Washington's dilemma

If this outcome was not a foregone conclusion it was largely because the United States Administration was faced by a genuine dilemma: how to protect Western interests in the absence of an established base in the area and signal that the West would not necessarily remain passive regardless of what the Soviet Union did in Africa, while at the same time remaining sensitive to African pressures and fears of a great-power confrontation. In other words, how was President Carter to convey that, unlike his predecessor during the Angolan crisis, his was not a broken-backed admini-

[7] *Le Monde*, 4 January 1978.
[8] See, for example, Gérard Chaliand, 'The Horn of Africa's dilemma', *Foreign Policy*, Spring 1978, pp. 116–31.
[9] *The Times*, 21 January 1978.

stration while acknowledging that in this particular crisis the Soviet Union might after all have a case?

Except on one issue—the violation of third-country airspace—it was difficult to accuse the Russians of any specific impropriety in the Horn. It is true that in Ethiopia they had elected to prop up what is by all accounts an exceptionally unsavoury regime, but not only were they there by invitation but also during the years of their alliance with Somalia, when the United States supported Haile Selassie's regime, there is no firm evidence that the Soviet Union ever encouraged the Somali Government to pursue its irredentist ambitions.[10] Indeed, after the Emperor's fall the Russians had attempted to resolve the contradictions which arose from their support of two hostile regimes by mediating between the various conflicting parties in the Horn with a view to forming a socialist confederation consisting of Ethiopia, Eritrea, Somalia and possibly South Yemen.[11] This effort may have been naïve and was certainly not designed with Western interests in mind, but in itself it could hardly be described as provocative.

None the less, it was perhaps inevitable that there would be a public split in Washington between those who viewed the conflict primarily in East–West terms, and those who saw it in an African context. Until the contest in the Horn became focused on the issue of territorial integrity, the United States had appeared to be engaged in a merely local competition, attempting to hold on to its position in Ethiopia and to lessen Soviet influence in Somalia. For some time after Haile Selassie's fall the US continued to sell the Dergue military equipment in an attempt to prevent the Government from turning to the Soviet Union. The decision to end military grant aid was announced only at the beginning of 1977 when it was linked to the President's human rights policy, some might think disingenuously, as it had in fact been taken by his predecessor.[12] Meanwhile by mid-summer the Administration had also informed the Somalis that they were prepared to reduce their dependence on the Soviet Union by providing them with defensive military equipment.[13] But it was precisely at this point that the major Somali advances in the Ogaden occurred,

[10] During the fighting it was alleged that circumstantial evidence suggested that the Soviet Union had previously been involved in training Somali guerrillas in the Ogaden as part of a policy of destabilizing the Haile Selassie regime; and President Barre apparently told a group of visiting British Conservative MPs that during the period of the Soviet–Somali alliance Soviet officials had conceived a plan to take over the whole of North-East Africa. See Julian Amery, MP, 'The last chance to stop the drift to World War Three', *Daily Telegraph*, 3 March 1978; also *Africa Research Bulletin*, February 1–28 1978, p. 4740.

[11] President Castro also held a meeting with Ethiopian and Somali leaders in Aden in the spring of 1977, *Africa Research Bulletin*, March 1–31 1978, p. 4775.

[12] For a discussion of the intra-agency dispute over US policy in the Horn, see Elizabeth Drew, A Reporter at Large, 'Zbigniew Brzezinski', *The New Yorker*, 1 May 1978, pp. 90–130.

[13] *The Times*, 28 July 1977.

recipitating the withdrawal of the American offer and the build-up of Soviet military support to the beleaguered Ethiopians.

In the ensuing policy debate within the US Administration, the division was broadly between the National Security Council under Zbigniew Brzezinski, which wished to react dramatically to the expansion of Soviet and Cuban forces in Ethiopia (one proposal was apparently that the US should send in a naval task force), and the State Department, which questioned what the United States could do about the situation however much it disliked it, and even played down the extent of Cuban involvement in the hope that the OAU would be able to effect a settlement. To the extent that in the confusion the Somalis were able to listen to that side of the argument which they wanted to hear, the Washington policy debate had dire consequences in the Ogaden.[14] For by the end of the year it was becoming increasingly clear that, strong as the Somalis' position on the ground might be, it could only be held if they could call on external support equivalent to that provided by the Soviet Union and Cubans to the other side.

And this support was certainly formidable. Between November and early January the Russians mounted an airlift of heavy armour and men which involved some 225 planes, about 12 per cent of the entire Soviet transport fleet, the launching of a control satellite and, on US estimates, strengthened the Ethiopian forces by up to 1,500 Soviet advisers and 10,000 Cubans. It was also said to have involved the violation of the air-space of ten countries and drew an official protest on this score from the Yugoslav Government.[15] Such an unprecedented demonstration of Soviet military capability was no doubt partly intended as a reminder to the Western powers and their regional allies that the Soviet Union could come swiftly to the aid of its friends while at the same time it provided the Soviet air force with an opportunity to test its technical competence in a complicated logistical exercise. In any event, the scale of the operation served notice that the Soviet Union would not allow Somalia's defection to go unpunished and that it was prepared to guarantee the integrity of the Ethiopian state.

Reports that Fidel Castro's brother, Raoul, followed by a senior Soviet general, had arrived secretly in Ethiopia[16] to organize the Cuban support operation confirmed that the intention was to reverse Somali and possibly also Eritrean gains. The Americans might complain—at his press conference on 12 January President Carter accused the Soviet Union of sending 'excessive quantities of weapons' to Ethiopia and of 'unwarranted

[14] One experienced journalist, Victor Zorza, even suggested that 'had it not been for such hints [i.e. of support] from Washington which were withdrawn when wiser counsels prevailed, Somalia might never have moved against Ethiopia', *International Herald Tribune*, 18 January 1978.

[15] *New China News Agency*, 12 January 1978; *International Herald Tribune*, 8 January 1978.

[16] *Financial Times*, 13 January 1978; *Daily Telegraph*, 25 February 1978.

interference in the area'[17]—but even those who were most anxious to stand up to the Russians had no clear policy for getting either the Soviet advisers or Cuban combat soldiers out of Ethiopia. Apart from the constraints imposed on American policy by the boundary issue, the United States was also in the embarrassing position of moving in behind a regime which was opposed by two of its regional allies. Israel had traditionally supported the Ethiopians and continued to do so now,[18] and Kenya, despite its commitment to capitalism, maintained a nominal mutual defence pact with Ethiopia and was strongly opposed to any Western military support for Somalia.

In these circumstances, the best that Washington could do was to adopt a defensive position. At his press conference, Carter went through the motions of calling for a ceasefire: 'Our hope is that the Somalis might call publicly for negotiations to begin immediately to resolve the Ogaden dispute', an appeal which was heeded by the Somalis who now had nowhere else to go and rejected outright by the Ethiopians. Meanwhile, with increasingly frequent warnings to the Russians about the indivisibility of détente ('we don't like the idea of holding Salt hostage to Ethiopia, but the Russians should know that as a practical matter this is the way things are likely to move unless they apply restraint')[19] the Administration moved to reassure the Ethiopians of their commitment to territorial integrity. A mission to Addis Ababa by David Aaron of the National Security Council secured an undertaking that the Ethiopians would not carry their counter-offensive into Somalia, while on the American side the embargo was lifted on a consignment of spares for equipment supplied before the arms ban and there was talk about normalizing relations through the reappointment of an American Ambassador.[20]

But while the Soviet Union had apparently endorsed the Ethiopian pledge, and by implication therefore indicated that it would make no direct attempt to regain the use of its lost naval facilities at Berbera, there appears to have been no serious attempt to secure a negotiated withdrawal of Somali forces prior to the Ethiopian counter-offensive. Perhaps the strength of the WSLF's position (and of the Somali commitment to support them) would have rendered this futile anyway, but certainly until it was under way the Soviet Union denied any knowledge of an Ethiopian counter-attack. Since it simultaneously acknowledged that it was giving Ethiopia 'appropriate material and technical assistance in repulsing aggression' and insisted that the prerequisite for a ceasefire 'must be the unconditional withdrawal without delay of Somali troops from Ethiopian territory',[21] such denials fooled no one.

[17] *New York Times*, 13 January 1978.
[18] *Africa Research Bulletin*, February 1–28 1978, p. 4739.
[19] *International Herald Tribune*, 15 January 1978.
[20] *Christian Science Monitor*, 6 March 1978.
[21] *Soviet News*, 24 January 1978.

The end game

In retrospect, the final weeks of the Ogaden war seem likely to stand as a monument to human folly. What had arguably started as a genuine conflict of two rights (of the Ogaden Somalis to fight for self-determination against what they regard as Amharic occupation; and of the Ethiopian state to resist dismemberment) had already degenerated by the end of January 1978 into a protracted and predictable end game, from which no one emerges with much credit.

The Somali Government certainly paid heavily for its gamble. Although no casualty figures have been announced, three brigades totalling 6,000 men were apparently routed in the battle for Jijiga alone, and an estimated 600,000 people have become refugees because of the fighting.[22]

But if, as seems likely, Siad Barre had manœuvred himself into a position from which it was politically impossible to retreat, the other major actors must also bear some responsibility. The support provided by Egypt, Iran, Pakistan, Saudi Arabia and Abu Dhabi was not sufficient to stand up to the forces that the Soviet Union could marshal, but it no doubt helped Somalia to keep the war going (at an estimated cost of US$2 million a day) longer than would have otherwise been possible. Inevitably, however, the competition between the two super-powers had the most serious consequences. While, as Zbigniew Brzezinski put it, the US Administration had encouraged the Somalis 'to terminate their presence in the Ogaden and return to their original frontiers', his constant linking of the Soviet–Cuban intervention with détente in general and the prospects for a second Salt agreement in particular, when it was not at all clear what the Americans either could or would do about it, merely infuriated the Russians and no doubt stiffened their resolve to reconquer the Ogaden by force. In any event, they showed little appetite for restraint: secure in the knowledge that they were supporting the side with the better general legal case and at least the tacit backing of the OAU, the Russians had no compunction in violating third-country air space in order to ship in sufficient Cuban personnel and military hardware to guarantee victory. There was no doubt also an element of vengeance in their strategy: not only was the Ethiopian counter-offensive directed by General Barisov, who until the previous November had been a senior military adviser in Somalia, but whereas in the spring of 1977 the Russians had attempted to mediate between the two countries, after the airlift when they were in an even stronger position to influence the Dergue, they appeared to lose all interest in the substantive issues involved in the dispute.

The sense of futility is compounded by the length of time it took for the

[22] Djibouti has accepted about 25,000 of these refugees. The UN High Commissioner for Refugees has appealed for a US$12·5 million aid fund, to which USAID is to contribute $3·1 million.

Ethiopians and their supporters to deliver the *coup de grâce*. At the beginning of February the Somali position was still strong, and for most of that month the garrison at Jijiga in the Ahmar mountains waited for an attack through the Marda Pass which never materialized. Then at the beginning of March the Tenth Ethiopian division supported by a Cuban armoured brigade bypassed the mountains and with strong air support attacked the town from the north.[23] Jijiga finally fell on 5 March; Siad Barre immediately called a meeting of the Central Committee of the Somali Revolutionary Socialist Party (SRSP), which decided to pull out the Somali Army before it was annihilated. The WSLF did the same and by 15 March the Somali Government announced that the withdrawal had been 'fully completed'.

In the aftermath of Somalia's withdrawal, two obvious questions remained to be answered. The first was whether Siad Barre himself could survive the humiliation of defeat; the second whether the result in the Ogaden would be accepted as final, with the Somalis providing what the Americans made it clear they wanted as the price for their support, namely a public renunciation of Somali territorial claims.

The first question was decisively answered in April. Dissident units in the army, variously reported as led by officers favouring a rapprochement with the Soviet Union and a return to democracy, rose against the Government on 9 April. But the attempted coup, which was evidently both ill-timed and ill-planned was crushed within two hours, and did not deter the President from making a state visit to China less than a week later. The visit provided an opportunity for the Chinese to reiterate their support for Somalia's 'struggle against hegemonism' and to sign an economic and technical co-operation agreement.[24] Predictably it was denounced by Ethiopia, which accused China of interference in its internal affairs, by the Soviet news agency Tass, which claimed that 'the forces of international reaction . . . have not given up their plans and are still hoping to achieve through other means the goals which they failed to reach through Somali intervention in the Ogaden', and by Kenya. Although the Americans had undertaken to guarantee Kenya 'adequate defence capabilities', Kenyan suspicions of Somali intentions were increased when one of the Somali conspirators defected to Kenya on 10 April claiming that he had been ordered by Barre to invade Kenya after the withdrawal from Ogaden. Despite the improbability of this charge, which was in any case immediately denied by the Somali Government,[25] relations between the two countries have remained tense.

One reason is that the Barre Government has still made no unequivocal renunciation of its territorial claims. When the WSLF admitted defeat

[23] *Sunday Times*, 19 March 1978.
[24] *New China News Agency*, 18 April 1978.
[25] *Africa Research Bulletin*, May 1–31 1978, p. 4853.

in the conventional battle, they announced that they would revert to their traditional guerrilla role. 'We are fighting in our land and for our land. The rocks, the trees and the clouds are on our side.'[36] The official Somali position was more circumspect but still gave away as little as possible. The 9 March communiqué not only had pledged Somalia's withdrawal but in return had also demanded the withdrawal of all foreign forces from the Horn and 'the recognition by interested parties of the right to self-determination for the people of Western Somalia'. This demand was rejected by Ethiopia. The verbal battle between the two governments therefore continues; at the end of May, the Ethiopians even accused Somalia of seeking to annexe Djibouti and Somalia has repeatedly insisted that it will never change its position on the right of the Ogaden to self-determination and will 'continue to help and support our brothers in Western Somalia until they have achieved liberty and independence'.[37]

But although Mengistu Haile Mariam, the Ethiopian Head of State, has warned that he will take the war into Somalia if Mogadishu continues provocation in the Ogaden (there have been reports of significant guerrilla successes), he has not so far carried out his threat. For the time being it appears that the precarious super-power agreement has held up. Shortly before the OAU summit in Khartoum in July the Somali President proposed a referendum on the Ogaden, promising to honour the result even if the inhabitants voted against independence or incorporation into Somalia. But despite a renewed mandate to the OAU mediation committee to work for a negotiated settlement, itself an admission that there is a substantive issue to be discussed, the OAU is unlikely to change its traditional hostility to boundary revision. Whatever the consequences for the great powers (and in the long run they remain uncertain), in local terms the most likely outcome seems to be a return to the status quo ante—an uneasy cold war between Mogadishu and Addis Ababa, and a low-level grumbling insurgency in the Ogaden. By an appropriate but cruel irony it is the locusts who have benefited most. Freed from control by the political and military crisis in both countries and with scant respect for boundaries, they now threaten famine and destruction in a wide arc from the Atlantic to the Indian Ocean.

[36] *ibid.*, March 1–31 1978, p. 4773. [37] *ibid.*, May 1–31 1978, p. 4840.

American policies and the US-Soviet relationship

ROBERT McGEEHAN

THE inability to find a formula for dealing with the Soviet Union which would be firm enough to safeguard Western interests without imperilling détente continued to bedevil the Carter Administration in the first half of 1978. It was not unusual that a new administration should require some time to clarify its policies, but after more than one and a half years uncertain priorities and shifting positions still puzzled friend and foe. The President himself conceded that his style had produced a 'confused image'.[1] Three areas of concern were interrelated: the deterioration of East–West relations and the increasingly antagonistic atmosphere between the United States and the Soviet Union; the changing balance of military power in favour of Warsaw Pact forces and its implications for the security of the Atlantic Alliance; and the quality and direction of US leadership. The 'war for Carter's ear' in Washington between the State Department and the National Security Council (obviously oversimplified but journalistically irresistible) was only one aspect of a deeper question: was the President competent to handle the complexities and predicaments of super-power statecraft?

The decline of détente

It was unclear during the opening months of his term of office whether Jimmy Carter's commitment to human rights would prevent a realistic development of relationships with the USSR which would permit détente to survive.[2] Having taken a number of initiatives towards the Soviet Union which were intentionally meant to contrast with the diplomacy of the Kissinger period, the Carter foreign policy team gradually moved closer to the positions of the previous Administration. By late 1977 it could be concluded that the return to the Kissinger line was virtually complete, notably with respect to the retrenchment of the human rights campaign whose salience had been perceived by the

[1] Interview with President Carter, *Time*, 10 July 1978.
[2] See J. L. S. Girling, 'Carter's foreign policy: realism or ideology?', *The World Today*, November 1977.

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Russians as a threat to their vital interests.[3] The Administration's many and varied policy moves, however, contained contradictions and lacked a strategy to fit the pieces together, presenting to some analysts the picture of a well-meaning but disjointed effort without an overall design.[4] By early 1978 the ambiguity of the concept of détente returned to complicate the efforts of the Administration to elaborate a consistent and coherent policy. The so-called code of détente, composed of such understandings as the Joint Statement of Principles of 1972, the 1973 Agreement on the Prevention of Nuclear War and, above all, the 1975 Helsinki Final Act of the Conference on Security and Co-operation in Europe (CSCE) promulgated standards of state conduct and objectives of policy; it did not provide enforceable commitments to specific, unambiguous modes of behaviour.[5] Under Henry Kissinger's guidance, American foreign policy embraced a relationship with the other super-power whose basis was grounded in a hierarchy of values in which the avoidance of war between the nuclear giants had first place and human rights last, since any attempt to compel the Soviet Union to change its domestic political structure was bound to be provocative and hence injurious to détente. Soviet hostility was apparent when Carter argued that détente depended upon the USSR's respect for what the West considered the human rights of its citizens. Inherently subversive of the sovereignty of any state, the human rights issue in the USSR was both the camel's nose under the tent of the Communist Party's domestic leadership and the slender wedge of foreign invigilation which, if at all countenanced, would threaten constant inter-meddling. The US return to the human rights issue at the Belgrade meeting held to review the Helsinki Final Act revealed again the limits of détente. The Soviet delegate at Belgrade rejected the American attempt at 'psychological warfare', and the conference ended without substantial achievement.[6] Its atmospheric results, however, were obvious as the USSR launched a strong counter-attack fixed on the failure of the American system to afford what in the Soviet view were human rights. It is unlikely that Jimmy Carter could have escaped his identification with this issue even had he so desired. Having accorded primacy to the promotion of human rights beginning with the first major elaboration of the 'cardinal premises' of his Administration's foreign policy,[7] it thereafter became politically impossible for him to risk domestic disillusionment by dropping it (especially when it had great

[3] Gebhard Schweigler, 'Carter's détente policy: change or continuity?', *The World Today*, March 1978.

[4] Stanley Hoffmann, 'The hell of good intentions', *Foreign Policy*, Winter 1977–78.

[5] Helmut Sonnenfeldt, 'Russia, America and détente', *Foreign Affairs*, January 1978, p. 291.

[6] Richard Davy, 'No progress at Belgrade', *The World Today*, April 1978.

[7] Address at Notre Dame University, 22 May 1977. See the present writer's Note in *The World Today*, July 1977.

popular appeal and opinion polls showed a steady decline in public approval of the President).

What was significant in the accelerated decline of détente in the spring of 1978 was not only the inevitable Soviet-American discord over the human rights question but the broader international posture of the Soviet Union and the disagreement within the Carter Administration about how the US should respond to Moscow's growing military strength and increasing tendency to operate in areas previously outside its scope of involvement. The President had defined his understanding of the meaning of détente with the USSR in May 1977 as comprehensive and reciprocal progress towards peace: 'We cannot have accommodation in one part of the world and the aggravation of conflicts in another.' The question of the indivisibility of détente was less a matter of quibbling over its code than of great power politics; it was in the nature of things that the super-powers would continue to seek advantages over each other whenever possible—what was undefined was the meaning of such advantage in a case where the other power's interests were not clearly concerned. The latter point, of course, was also not self-defining, as had been apparent when the Kissinger attempt to take an active role in the Angolan situation was blocked by Congressional action.

A new Soviet challenge?

The Carter foreign policy team faced an even more vague question as conflict in the Horn of Africa expanded in the first months of 1978. The unprecedented Russian readiness to become involved in Africa, and massive military supplies to both Cuban troops and Ethiopian forces, suggested a willingness towards total commitment in an area of great instability.[8] The strategic and security implications of such involvement were profound, and as it seemed only one step in a larger Soviet role as an active force in Third-World areas of conflict, the United States was faced with the dilemma of what response—if any—to make. The facts that the Soviet and Cuban personnel were in Ethiopia at the invitation of its Government, and that their role was to assist in the defence of Ethiopian territory against attack by Somali forces which had crossed an international boundary, made it difficult either to accuse Moscow of violating international law or to permit an affirmative reply to the Somali request for weapons when that state was technically committing aggression. Not to take any action might have invited a future Soviet-Cuban operation in other, even more dangerous, areas such as Rhodesia or Namibia President Carter's advisers were in some disagreement on whether the Soviet role in the Horn of Africa was an issue which required American action as well as words, especially when options were so circumscribed

[8] See International Institute for Strategic Studies, *Strategic Survey 1977* (London: IISS, 1978), pp. 16–26.

by practical realities as well as Congressional restraints; nor was it wise to take too strong a position on something about which so little could be done.[9] The President's decision to make a public statement of US concern set the tone and dictated the contents of his speech on 17 March at Wake Forest University in Winston-Salem, North Carolina. He spoke of the USSR's 'ominous inclination to use its military power' to intervene in local conflicts in collaboration with 'mercenaries from other Communist countries, as we can observe today in Africa'. He charged that in Europe 'the Soviets have continued to increase and to modernize their forces beyond a level necessary for defence' and pledged that 'this excessive Soviet build-up' would be matched by the US and its allies. Carter also stated an American willingness to co-operate with the Soviet Union, but warned that if the USSR failed 'to demonstrate restraint in missile programmes and other force levels and in the projection of Soviet or proxy forces into other lands and continents, then popular support for such co-operation will erode'. The latter point was intended to remind Moscow that there were at least two kinds of 'linkage' in the US foreign policy process. One form, for example, could be for the United States to threaten that there might be an interruption in the Salt negotiations pending an end to Soviet activities in the Horn of Africa (a kind of linkage which Brzezinski had suggested and which Carter rejected); another, over which the President did not have control, however, was related to public opinion and hence Congressional willingness to accept co-operative proposals with the USSR—a reference to the likelihood that a hostile US Senate would not consent to the ratification of a Salt treaty with an aggressive Soviet Union (even though the President might favour such an accord on grounds of mutual interest without linkage). Although the Wake Forest speech was limited to fairly strong language and intimation of such future penalties for misbehaviour, Soviet reaction was to reject the US policy of 'threats and aggravation of tension' which was 'poisoning the international political climate'. It was further proof of how détente's ambiguity, which had been so useful in its initiation, was becoming counter-productive as each super-power accused the other of violating its nebulous code.

The question concerning the President's competence as the leader of the Western alliance became intertwined with his Administration's inability to settle upon an approach to American-Soviet relations. When it was announced in April that the enhanced radiation warhead (the 'neutron bomb') would not be produced by the United States for deployment in Western Europe as a counter to the greatly increased mechanized

[9] The National Security Adviser, Zbigniew Brzezinski, favoured sending a naval task force; this was opposed by both the Secretary of State, Cyrus Vance, and the Defence Secretary, Harold Brown—who asked what the task force would do after it got there. Elizabeth Drew, A Reporter at Large, 'Zbigniew Brzezinski', *The New Yorker*, 1 May 1978, p. 115.

strength of the Warsaw Pact forces, American policy seemed not only unmindful of the needs of the North Atlantic Treaty Organization but unnecessarily susceptible to a Soviet propaganda campaign which had hypocritically singled out this weapon as an immoral device which would escalate the arms race.[10] The President's decision to defer production of the weapon was not only taken against the advice of Vance, Brzezinski and Brown, but it embarrassed several Nato Governments whose efforts to gain domestic support for it had been costly; the episode was more dramatic at the time than in retrospect, but it remained important as an example of Jimmy Carter's solitary, unpredictable style of decision-making. Nor was the deterioration of détente arrested; Soviet reaction ungraciously dismissed the US move as a manœuvre, and offered to reciprocate by not building a similar device—an offer which in turn was scorned by Carter as having 'no significance at all'. In the debate about Nato's urgent need for the weapon and the USSR's propaganda campaign against it, it seemed to be forgotten that, whatever the ratio of Warsaw Pact to Nato tank numbers, no 'scenario' had ever been elaborated which could convincingly explain how or why a rational enemy would begin a massive conventional attack on Nato forces when there was no assurance that escalation of the conflict could be halted short of the level of strategic exchange and mutual annihilation. But the super-powers behaved less recklessly than their rhetoric suggested, and there was no reason to doubt the judgement of Western military analysts that the least likely place for war to begin was the Central Front in Europe.

Crisis and continuity

What was left of détente moved on two tracks in May 1978: arms control efforts generally and the strategic arms limitation talks in particular continued, with technical details and genuine national concerns rather than political chicanery as barriers to agreement; other dimensions of the super-power relationship, however, were in transition both as between the United States and the Soviet Union and in the Carter Administration's indeterminate search for a co-ordinated policy towards the Russians. The next Salt agreement, the draft of which incorporated many complex factors and represented an enormous amount of effort, was at the heart of the super-powers' endeavour to manage an arms race which, if uncontrolled, could become the source of economic strain and military instability. Of course, even without a new treaty there would be an upper limit on how much could be expended, and interest in reducing the risk of nuclear war would be the same—but symbolically Salt had become the centrepiece of détente. Its demise would strengthen less con-

[10] For a typical example of this, see Martha Buschmann, 'The neutron bomb—an affront to humanity', *Problems of Peace and Socialism*, October 1977.

ciliatory forces in the domestic arenas of both super-powers, which would in turn generate pressure towards positions of confrontation.

The details of events in the late spring were less noteworthy than their broader context. American and West European signatories of the Helsinki Final Act were unanimous in denouncing the trial and conviction in Moscow of Yuri Orlov, as well as the Soviet assistance to the Cubans in Angola, whom President Carter charged with having aided and abetted the invasion of the Shaba province of Zaire. A major topic of discussion at the Nato summit in Washington at the end of May was the Soviet-Cuban involvement in African affairs. As an alliance, however, Nato's writ did not extend to that continent and the Western allies prudently declined the assumption of any responsibility there. They expressed concern about events in Africa, but focused their positive actions on the adoption of a Long Term Defence Plan to counter the growing Soviet threat in Europe. The Warsaw Pact's military capability, Carter said, 'far exceeded their legitimate security needs'. The allies also adopted a study on future trends in East–West relations which concluded that increased military capacity would encourage the Soviet Union to alter 'the correlation of forces' in its favour. This Alliance solidarity was not matched by a similar cohesion in the US Government; Mr Vance, Dr Brzezinski and the US Ambassador to the United Nations, Andrew Young, used different language to appraise the motives and policies of the Soviet Union, and the President—widely criticized for indecision and irresolution—had not clarified his own position or indicated which of his advisers spoke for the Administration.

There was little doubt that in conducting relatively open government, and exercising caution towards situations which might lead to direct US military involvement in foreign problem areas, Jimmy Carter's behaviour was in general accord with the national mood. Post-Vietnam, post-Watergate America had been surfeited with the imperial presidencies of Lyndon Johnson and Richard Nixon, and disillusioned by long years of unsuccessful combat in areas of dubious value to the national interest. But there was mounting evidence that important forces in the public sector as well as in the Government were beginning to perceive pusillanimity in the President's foreign policy prudence and vacillation in his flexibility. An attempt to clarify his position on the major issues facing the United States in its relations with the USSR was made at the US Naval Academy at Annapolis on 7 June. Since all his principal advisers participated in the preparation of the address, it was not surprising that it contained passages which echoed the measured language of Mr Vance as well as the combative tone of Dr Brzezinski, and that its contents were also mixed. Carter used both carrot and stick in his analysis of US-Soviet relations; with stress on both competitive and co-operative aspects, he warned of Soviet military involvement in Africa as a threat to regional

peace and a source of deep concern to the American people—adding that while he had no desire to link this to the strategic arms negotiations, public opinion in a democratic society could complicate the quest for agreement. Not unlike his Wake Forest reminder, he added that 'this is not a matter of our preference but a matter of fact'. While there was still failure to clarify the tone of the Administration's Soviet policies, the substance of the President's position was being fixed: 'For a very long time our relationship with the Soviet Union will be competitive. If that competition is to be constructive instead of dangerous and potentially disastrous, then our relationship must be co-operative as well.'

Carter, like Kissinger, had opted for strategic stability. Tough language towards Moscow was necessary for public opinion and to persuade Congress that firmness without confrontation was possible. But as long as no action was taken either in opposition to Soviet involvement in Africa or in the Salt context, a de facto priority had been confirmed. Salt was more important than (and divisible from) either Soviet geopolitical adventures or the continued repression of the human rights dissidents. In spite of Moscow's trial and conviction of Anatoly Shcharansky on charges of espionage connected with the CIA (when President Carter had, in advance, already declared his innocence of any CIA connexion), and in spite of Soviet harassment and arrest of American journalists and businessmen, the United States continued to participate in all major arms control discussions with the USSR. Carter had decided to maintain his co-operative policy in the face of Soviet arrogance and continued African involvement.[11] His greatest problem became, and remains, that of surviving in a hostile domestic atmosphere.

The US domestic context

American political institutions seem always in transition. Jimmy Carter has suffered doubly from the balance which had shifted away from the executive and in favour of the Congress—first, because Congress had assumed a renewed sense of responsibility after a long period of non-assertiveness, and second, because of his Administration's political inexperience and failure to project an image of self-assurance. This congressional revival cuts across party lines and would have faced any 'post-imperial' chief executive. It was and is especially problematical in the foreign policy process because there is no consensus within it to form a consistent position, as distinguished from a blocking power. (In what may, for Salt, later be an unfortunate exception, President Carter's success in getting the unpopular Panama Canal treaties through the

[11] In his press conference of 20 July, he was asked about his intentions on reprisals for Soviet actions the US condemns. He said, 'I have not embarked on a vendetta against the Soviet Union. I know that we cannot interfere in the internal affairs of the Soviet Union. I would like to have better relationships with the Soviets.'

Senate 'proved' to the Russians that ratification is possible when it is genuinely sought.)

The President faced an unprecedented manifestation of party solidarity on 3 May when the thirty-eight Republican members of the Senate unanimously approved a long 'Declaration on National Security and Foreign Policy' which was generally critical of Carter's foreign policy performance. The document cited a number of Administration actions vis-à-vis the Soviet Union and stated that the Senators believed that, in spite of détente, 'the Carter Administration incorrectly interprets the intentions of the Soviet Union and its commitment to achieve conventional military and nuclear superiority to secure wide-ranging geopolitical goals . . . we are deeply disturbed that the Soviet strategic build-up has continued far beyond those levels necessary for defensive purposes.' Specific references were made to 'the overblown rhetoric' of a Salt agreement, the unilateral cancellation of the B-1 bomber, 'continuing indecision' about the MX missile programme, the threat to the naval balance, the Administration's 'feckless handling of the Ethiopian-Somali conflict [which] opened the way for the Soviets to carry out their naked geopolitical power play', and so on. This example was significant for any future Administration policy which would require Senate consent, particularly as there were also several Democratic Senators who were equally critical of the Administration. The complaints in the document brought together a number of criticisms of the Carter foreign policies which had been made by private organizations of prominent persons of both parties concerned with foreign policy trends, such as the Committee on the Present Danger, or published in journals set up to bring public attention to problems of national security, in particular *Strategic Review*.

The domestic debate also included frequent exchanges of views between members of the intellectual community, with some former liberals (mainly Democrats) expressing suspicions of Soviet behaviour in language reminiscent of the dire warnings of the Cold War years. Finally, there was the public at large: opinion polls consistently suggested that while interest in foreign affairs was low there was a growing anti-Soviet mood based on both the human rights issue and on the belief that the Russians were becoming militarily stronger than the US; public support for a strategic arms agreement was fairly consistent, but the same respondents who would welcome a Salt accord often expressed the belief that the USSR would try to violate its provisions. These items do not suggest a coherent trend in public opinion, but they do suggest that there is recurring the desire for firm leadership against the only state which threatens America; nationalism, never far below the surface, could be regenerated without great prompting.

Which path will be taken? Henry Kissinger has spoken of a 'defeatist consensus', but it is surely premature to assume that the Carter Adminis-

tration is as weak as its critics argue. There has not occurred any event which clearly challenged the vital interests of the United States, and in refusing to become involved in situations not amounting to such a challenge the President is manifesting not cowardice but wisdom. Of course, it can be posited that in retreating from every dangerous situation the US could indefinitely escape the crisis that would truly test its leadership, resulting in a 'self-Finlandization'. Yet judgement must be withheld: Jimmy Carter's record is better than its reputation, and Soviet restraint in not arranging a 'test' could indicate an appreciation of this persuasion

China: a tale of four meetings

JOHN GARDNER

UNTIL just over a year ago there was some doubt as to how far Hua Kuo-feng and his colleagues would go in moving away from the policies and practices of the Cultural Revolution era. To be sure, one could get some indication simply by reversing the barrage of accusations directed at the Gang of Four in order to see what the new approach would be in general terms. One could also glean useful hints from what was said at the numerous conferences on all manner of subjects, which began to convene thick and fast from early in 1977, under official injunctions to 'let 100 flowers bloom' once again.

Nevertheless, a number of major questions awaited a definitive answer. Among these were: would Teng Hsiao-ping be brought back and at what level? What organizational and institutional changes would be brought into the party and state machines? And, perhaps most important of all, to what extent would the new regime return to a 'technocratic' model of economic development, based on the encouragement of expertise and the development of an advanced scientific base?

The answer to these questions has been provided in the past fourteen months. Among many meetings held in the period, four can be singled out because of their high-level nature and special significance in highlighting general trends observable throughout the Chinese political system. These were the Third Plenum of the Tenth Central Committee, the Eleventh Party Congress, the Fifth National People's Congress and the National Science Conference.

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The Third Plenum

The Third Plenum of the Tenth Central Committee was held in Peking from 16 to 21 July. It 'confirmed' Hua's appointment as Party Chairman, and expelled the Gang of Four from the Party 'once and for all'. Such measures were not particularly newsworthy in the light of the events of the previous six months, but a further decision 'restoring comrade Teng Hsiao-ping to his posts' was of greater significance, and ended considerable speculation at home and abroad as to the eventual fate of the stormy petrel of Chinese politics. For Teng not only was the most prominent living victim of the Gang but also had been widely regarded as the most likely successor to Chou En-lai, right up to the Premier's death on 8 January 1976.

Condemned to political oblivion in the early stages of the Cultural Revolution, Teng had reappeared in 1973 and, in January 1975, had been appointed a Vice-Chairman of the Party and ranking Vice-Premier of the State Council. In that month Chou En-lai had revived a pre-Cultural Revolution slogan calling for the complete modernization of China's agriculture, industry, national defence and science and technology by the end of the century. As Chou was then in poor health, having suffered from cancer since at least 1972, it was Teng who took the lead in pushing forward the 'four modernizations'. To this end he directed the preparation of three policy documents in the summer of 1975. These placed a high premium on leadership of all work by 'the Party', on hierarchy and discipline, on the importance of encouraging and rewarding professional expertise in all spheres and on learning from the experience of technologically advanced societies. They also attacked the 'holier than thou' attitudes of many 'helicopter cadres', as Teng described those who had risen rapidly during the Cultural Revolution. Such people had an unfortunate tendency to look for 'capitalists' under every bed and were prone to engage in factionalist activity. They believed that the mouthing of revolutionary slogans was an acceptable substitute for economic work and, consequently, had a deleterious effect upon production.[1]

Such outspoken criticisms of the excesses of the Cultural Revolution made Teng an obvious target for the radicals who had benefited from it. His impatience with the niceties of revolutionary rhetoric enabled them to claim, perhaps with justification, that Chairman Mao had expressed his anger at Teng's latest attempt to 'negate' class struggle, and a media campaign condemning him as an 'unrepentant capitalist roader' got under way early in 1976. This in turn caused people sympathetic to Teng's line to express their dissatisfaction with radicalism in riotous demonstrations which broke out in Peking's Tienanmen Square (and in

[1] The three documents are translated in Chi Hsin, *The Case of the Gang of Four* (Hong Kong: Cosmos Books, 1977), pp. 203–95.

other cities) at the beginning of April. Teng was promptly accused of 'instigating' these, and was dismissed from all his posts on 7 April.[2]

In the next six months radical propagandists related his 'crimes' in massive detail, thus guaranteeing, albeit unwittingly, that when Mao's wife, Chiang Ching, and her confederates were themselves arrested, Teng Hsiao-ping was clearly identified in the eyes of all Chinese citizens as the arch-enemy of the Gang of Four. In the circumstances, his return to high office appeared inevitable. But the timing and manner of his come-back was a delicate matter for several reasons.

In particular, there was Hua Kuo-feng's own position to consider. His rise to supreme power had been dramatic and sudden. In 1975 he had been but one of a dozen vice-premiers and his appointment as Acting Premier in February 1976 had come as a great surprise to Chinese and foreign observers alike. On 7 April he had been formally appointed both to the premiership and to the newly created post of 'first Vice-Chairman' of the Party, and had subsequently received a reasonable amount of public exposure, especially when he was seen to be actively directing relief work after the Tangshan earthquake disaster. Nevertheless, for a man who in October 1976 had inherited Mao's revolutionary mantle in addition to Chou's, he remained a remarkably unknown quantity to the Chinese people. Despite the genuine rejoicing with which his arrest of the radicals was greeted, he still had to establish his credentials. The speedy return of Teng, with his great popularity, influence and wealth of experience would inevitably have impaired attempts to establish Hua's image.

Related to this was the problem that Hua had been the principal beneficiary of Teng's fall. There is no evidence that he had engineered it in any way, and Hua's role in the anti-Teng campaign had been relatively restrained. This was not, however, the case as far as certain other leaders, who had emerged with Hua on the winning side, were concerned. Wu Teh, the Mayor of Peking, had been responsible for the suppression of the Tienanmen riots and, along with Wang Tung-hsing, appeared to have had close relations with the Gang. We shall probably never know what switches of allegiance and shifts in alliance took place during the succession crisis, but it is reasonable to assume that some of those who had thrown in their lot with Hua had much to lose should Teng return and that persistent rumours of leadership splits on the issue in ensuing months were not entirely without foundation.

Teng's own attitude was also clearly relevant. On the one hand, Mao's alleged criticism of him was a severe disadvantage in a society where all actions continued to be justified in terms of the late Chairman's wishes. On the other, Teng enjoyed considerable support and, the more the Gang was vilified, the more his own reputation was bound to rise. He was,

[2] For background, see David S. G. Goodman, 'China: the politics of succession', *The World Today*, April 1977.

therefore, in a position to negotiate the terms under which he would throw his weight behind Hua's leadership. All these factors meant that hard bargaining and careful preparation were required and, as Chinese officials regularly remarked to foreign visitors, 'these things take time.'

The first step was to legitimate Hua's title to rule. From the autumn of 1976 the media carried numerous articles telling the Chinese people about their new leader. His revolutionary activities before Liberation, his work as an administrator in Hunan and his elevation to national-level decision-making after the Cultural Revolution were all discussed, with a strong emphasis on Hua's steadfast adherence to the principles and policies of both Mao and Chou. A somewhat ambiguous remark made by Mao to Hua in April 1976, 'With you in charge, I'm at ease,' was frequently cited as proof that Mao personally had chosen him as his successor. A 'Hua cult' developed, replete with morally uplifting stories of his kindness to orphans, his stern insistence that his daughter do her stint in the countryside like anyone else, his tireless and unselfish dedication to his work and his becoming modesty. His calligraphy began to adorn the pages of *People's Daily*, and his photographs showed his original crew-cut growing into a longer style, swept back from the temples, giving him a certain resemblance to Mao. His prestige as an international statesman was bolstered by his assumption of a massive burden of well-reported 'protocol' functions, in which he spent many hours talking to foreign visitors of varying degrees of importance.

As for Teng, the campaign of criticism quickly faded away, although it did not actually come to an abrupt halt. In December 1976 an intra-Party document informed members that the Gang had exceeded Mao's instructions in attacking him. The following month posters appeared in Peking and other cities either urging or forecasting his speedy return. (It is not, of course, known whether these were officially sanctioned or were, rather, attempts by his more humble supporters to force the leadership's hand.) By March 1977, senior leaders were telling foreign visitors that Teng would be brought back and the Chinese press began to drop heavy hints to its readers. Thus March saw the first of what were to be many articles discussing the policy documents of 1975. Initially Teng's name was not mentioned, and credit was given to Hua and 'other' Vice-Premiers for producing what were now deemed to be 'fragrant flowers' and not 'poisonous weeds'. In April, Volume Five of Mao's *Selected Works* was published, complete with references to Teng.

At the end of March 1977, the Central Committee held an enlarged work conference at which, it was later officially stated, Hua personally had proposed that Teng be allowed to resume work. According to unofficial versions of the meeting which circulated in Hong Kong, Hua absolved Teng of responsibility for the Tienanmen riots, and even-handedly remarked that Teng's record in 1975 contained both 'achieve-

ments and mistakes'. The same sources refer to correspondence between Teng and Hua, in which Teng was moderately self-critical, pledged his allegiance and asked for 'front line work' to do. In May news of these discussions was circulated within the Party, and the Third Plenum could then announce his return to the fold. He regained all his 1975 posts, including those of Party Vice-Chairman and Vice-Premier, and it was announced that charges against him had been 'fabricated' by the Gang.[3] Having co-opted Teng into the post-Mao leadership, Hua and his colleagues could then turn to the wider matter of the Party itself.

The Eleventh Party Congress[4]

Following hard on the heels of the Third Plenum, the Eleventh Congress convened in Peking from 12 to 18 August 1977. Hua delivered a lengthy 'Political Report' in which he paid fulsome tribute to Mao but, interestingly, reserved the affectionate appellation 'esteemed and beloved' to describe Chou En-lai and Chu Teh, whose passing, together with that of other veterans, was marked by a silent tribute. Hua also gave Teng a further boost by claiming that it was Mao who had put him in charge of the day-to-day running of affairs during Chou's final illness and, moreover, that Teng's criticisms of the Gang had been in accordance with Mao's instructions.

Much of Hua's report was taken up with an extremely lengthy diatribe against the Gang. He chronicled in detail their attempts to attack Chou En-lai and other veteran cadres through a series of radical campaigns from 1974 onwards and stressed the underhand and conspiratorial methods they had used in their attempt to 'usurp supreme power'. He went to great pains to draw a line between Mao and the Gang, portraying his predecessor as a man who had spent the last years of his life patiently remonstrating with the Gang, and especially with his wife. His admonitions having fallen on deaf ears, Mao warned his colleagues of what the Gang was up to and urged them to apply criticism. Hua's narrative was studied with appropriate quotations from Mao, including his lugubrious prophecy about Chiang Ching: 'After I die, she will make trouble.' In fact, however, his report was more important as a comprehensive and fully authoritative rehearsal of the case against the Gang, rather than as a source of new revelations, for full details of their evil-doing had been circulating in the Party before the end of 1976, and the major charges had been the subject of countless newspaper articles even before that time.

Moving on to discuss the tasks facing the Party, Hua noted that the 'victorious conclusion' of the first Cultural Revolution had ushered in a

[3] Communiqué of the Third Plenum, *Peking Review* (*PR*), No. 31, 1977, pp 1–8.

[4] The documents of the Eleventh Congress are to be found in *PR*, Nos. 35 and 36, 1977.

new period of development. This elliptical reference was, in fact, the most definitive statement that the Cultural Revolution was finally over and that more mundane matters like economic growth could receive appropriate attention. Hua urged his listeners to 'grasp the key link of class struggle and bring about great order across the land'. This somewhat contradictory formulation meant that the struggle against the Gang was to be carried out 'to the end' as a prerequisite for stability. In terms of the Party, this involved a purge of 'deserters and renegades' recruited by Chiang Ching and her supporters. It was also necessary to reject that 'ultra democracy or licence which destroys discipline'.

More positively, Party members were to 'speed up the development of the productive forces' and 'push the national economy forward', a policy which included the modernization of the armed forces. And, it was hinted, those who had most to contribute would reap the greatest reward, for progress was to be on the basis of the socialist principle 'from each according to his ability, to each according to his work'. As Teng was to put it when it was his turn to speak, what China needed was 'less empty talk and more hard work'.

In his report, Hua insisted that the purge of the radicals should be confined primarily to ringleaders who had joined the Gang's 'factional set-up', that these were merely a 'handful', and that the larger group who had simply 'erred' and who were willing to repent should not suffer unduly. One reason for his moderation was, of course, the fact that the Gang's principal supporters had, in many cases, already fallen from grace. This was made apparent with the publication of the names of the 201 full and 132 alternate members elected to the Eleventh Central Committee. At the time, some 174 full members and 123 alternate members of the Tenth Central Committee, elected three years previously, were still alive. Of these, fifty-nine full members and fifty-one alternates failed to secure re-election to the Eleventh Central Committee. Those cast into the wilderness included ex-ministers like Yu Hui-yung and Chiao Kuan-hua, and many lesser fry who had held provincial-level appointments in Shanghai, Liaoning and other radical strongholds. Conversely, although the new Central Committee was based firmly on Party, state and Army leaders who had been elected in 1973, it also contained a sizeable group of veteran cadres who had been disgraced in the Cultural Revolution and who had only just worked their way back to the centre of power. Perhaps the most prominent example of these 'newcomers' was Lo Jui-ching, a former Chief of the General Staff, who had broken both legs in a vain attempt to escape persecution in 1966.

At the highest levels of leadership, the elections showed no surprises. The Standing Committee of the Politbureau consisted of Hua, Teng and the three leaders who had supported Hua against the Gang. These were General Yeh Chien-ying; Li Hsien-nien, the distinguished finance and

economics specialist; and Wang Tung-hsing, the security chief whose 8341 unit had actually arrested the radicals on 6 October.

On 18 August, the Congress adopted a new Party Constitution. Its 'General Programme' invoked the 'four modernizations', called for the strict observance of discipline and the rejection of 'splittist' and factional activities. It also neatly reversed a radical slogan of 1973, which the Gang had used as a justification for rejecting higher authority and encouraging 'anarchism'. Thus, instead of being encouraged to go 'against the tide', Party members were told to go 'against any tide' that ran counter to Mao's famous principles: 'Practise Marxism and not revisionism; unite and don't split; be open and above board, and don't intrigue or conspire.'

By the time of the Congress, Party membership stood at 35 million, half of whom had joined since the beginning of the Cultural Revolution, including seven million since the Tenth Congress. Although Yeh Chien-ying commented that the 'overwhelming majority' were 'good or fairly good', he admitted that 'a serious problem of impurity' existed. The new Constitution provided three means of dealing with this. The first was the expulsion of 'proven renegades, enemy agents, absolutely unrepentant persons in power taking the capitalist road, alien class elements, degenerates and new bourgeois elements'. The second was to establish special 'commissions for inspecting discipline' at county level and above, to police the Party as they had done before the Cultural Revolution. The third was to tighten up admissions procedures, so that no one could join a Party branch without first being 'screened' by the Party committee at the next higher level. Clearly, the days of the 'helicopter cadre' were over.

The Fifth National People's Congress[5]

The basis for the reorganization of the Party having been established, the next major task was to reform the state framework, for which purpose the Fifth National People's Congress met in Peking on 26 February 1978. In his 'Report on the Work of the Government', Hua devoted less attention to the crimes of the Gang and concentrated rather on economic construction plans for the period up to 1985. The targets laid down included the achievement of 85 per cent mechanization in 'all major processes of farmwork', the raising of grain production to 400 billion kilogrammes and steel production to 60 million tons. Such targets were to be achieved both by relying on Maoist methods and applying the 1975 proposals for increasing foreign trade substantially, and by developing advanced science and technology. While a wide wage spread was to be avoided, Hua argued that 'the enthusiasm of the masses cannot be aroused if no distinction is made between those who do more work and those who do less, between those who do a good job and those who do a poor one.'

[5] The documents of the Fifth National People's Congress are to be found in *Hsinhua Weekly* (Peking), No. 473.

On 5 March, the Congress adopted a new state Constitution which, in its preamble, reaffirmed the commitment to the 'four modernizations' and noted that China had now become a 'socialist country with the beginnings of prosperity'. Many of the Constitution's provisions were similar or identical to those of 1975. Thus it repeated the clause asserting the Party's 'constitutional' right to exercise leadership over the State. It was, however, a lengthier document, much of the extra space being taken up with a detailed description of the functions of various state organs and the rights of citizens to participate in the management of state affairs.

Perhaps the most important changes were those relating to law and order. A common charge against the Gang was that it had encouraged hooligan elements to indulge in orgies of 'beating, smashing and looting', and had replaced China's legal system with kangaroo courts and mob rule. Under its malign influence the Public Security organs had been subverted and had ceased to function effectively.[6] In the Cultural Revolution the tripartite division of labour between courts, Public Security and Procuracy had ceased to have meaning, and the Procuracy had actually vanished in the Constitution of 1975, its functions being assigned to the Public Security (police) organs. On 26 February, Hua had said that it was 'essential to strengthen the socialist legal system if we are to bring about great order across the land', and the Supreme People's Procuracy was re-established by the new Constitution. It was also laid down that 'no citizen may be arrested except by decision of a people's court or with the sanction of a people's procuratorate, and the arrest must be made by a public security organ.' This emphasis on due process, however, did not imply that the state would take a softer line on wrong-doers. The concept of 'bad elements', which were to be deprived of political rights, remained. These included landlords, rich peasants and 'reactionary capitalists who have not yet been reformed', together with 'new-born bourgeois elements', a category especially invented to cope with persons of impeccable class background who had, nevertheless, sold out to the Gang of Four.

The National Science Conference

The National Science Conference, held in the Great Hall of the People from 18 to 31 March, was the largest such gathering in Chinese history—nearly 6,000 delegates attended. Hua opened the proceedings but it was Teng Hsiao-ping's speech which was interrupted by 'prolonged applause'. For it could not have escaped notice that the themes of the conference reflected the views he had advanced in the one of the three 1975 policy documents which specifically dealt with scientific policy. Moreover, in his speech Teng came dangerously close to equating dedication to one's professional work with political purity—a view which had con-

[6] *New China News Agency*, 28 November 1977, in BBC, *Summary of World Broadcasts*, FE 5681.

tributed to his dismissal twice before, but which obviously went down well with his intellectual audience. The major speech, however, was given by Fang Yi, the Vice-Premier directly responsible for scientific and technological work.[7]

Outlining a plan for 'high-speed development' by 1985, Fang admitted that China was lagging 15 to 25 years behind advanced world levels. He identified as key fields for development agriculture, energy, materials, electronic computers, space technology, high energy physics, genetic engineering and lasers. He also specified ten measures which were to be implemented in the interests of modernization. First, it was necessary to build up a network of 'key' research institutions and to ensure that they were headed by experts. Second, large numbers of talented people were to be trained, particularly at postgraduate level; for, by 1985, the number of professional scientific researchers was to be raised to 800,000. Third, scientific personnel were to enjoy sabbaticals, foreign travel and promotion on merit. Fourth, 'free contention' was to be encouraged and scientists were to publish their findings 'so long as they do not divulge state secrets or involve charlatanry'. The fifth step was to learn from other countries and to increase international academic exchanges. Sixth, scientists were to be allowed to devote five-sixths of their time to scientific work and were to be provided with assistants to reduce their administrative and other chores. Furthermore, 'high priority' was to be given to refitting existing laboratories, to building new experimental installations and to the design and production of new instruments and equipment. Fang's next measure was to insist that a system of close co-operation between the Academy of Sciences, the universities and local research institutions be developed. This led on to an insistence that scientists disseminate their findings as quickly as possible and (his final point) that all possible steps be taken to popularize science among the people. Not surprisingly, in the light of Fang's remarks, Kuo Mo-juo, President of the Academy of Sciences, could proclaim: 'The springtime of science is here!'

Thus, by March 1978, Hua and his colleagues had succeeded in resolving the most pressing leadership problems as well as consolidating their authority on the basis of a return to a Leninist concept of the Party and a technocratic approach to the question of 'socialist development', in which the role of 'big' science was valued more highly than it had been in the extremely politicized atmosphere of the Cultural Revolution. It would have been interesting to know what Mao would have made of such developments, but the new leadership even had a partial answer to that. For, in 1977, articles appeared which were designed to show that Mao had not, as had previously been believed, been too unhappy with the way things were going before 1966. In December 1977, for example,

[7] Teng and Fang's speeches are to be found in *PR*, Nos. 13 and 14, 1977.

Hung Chi (Red Flag) had published a key article on education, which admitted that Mao had indeed complained of 'bourgeois domination' in the educational system in 1966 (it was, after all, one of his most publicized complaints); but, the journal asserted, he had been referring to only a few schools! It was the Gang who had wickedly claimed this was a universal phenomenon. The Chairman had, in fact, always believed in examinations, 'keypoint schools' and the like and would, therefore, have supported the return to an emphasis on academic criteria.

More recently, there have been signs that a second line of defence is being developed against those who might argue that present policies are moving in a direction of which Mao might not have approved. In July 1978, the press published for the first time a speech that Mao had made in 1962.[8] (This was circulated unofficially in the Cultural Revolution and is known to be genuine.) In it Mao said: 'Of all the mistakes made by the Central Committee I am responsible for those directly related to me and I have a share of responsibility for those not directly related to me, because I am its Chairman.' Moreover, Mao criticized those comrades who had attempted to keep hidden his 'shortcomings and mistakes'. Although it is most unlikely that Mao will be openly criticized, the Chinese people have now been clearly told that he himself was well aware he was not always right.

[8] See *PR*, No. 27, 1978.

Choices for Taiwan

PAO-MIN CHANG

SINCE the signing of the Shanghai Communiqué between Washington and Peking in 1972, Taiwan (Formosa) has gone through many dramatic turns of fate, and an atmosphere of suspense and at best a mixed picture of hopefulness and uncertainty have persisted all along. But it was not until 1977 that an unprecedented confluence of both international and domestic developments began to subject the island regime to a hard test of viability. On the diplomatic front, the clamour for normalization of relations between the United States and China was revived as soon as the Carter Administration was inaugurated and reached its height last August on the eve of the Secretary of State's visit to Peking. For the greater part of the year, the Nationalist Government in Taiwan appeared to be fighting a last-ditch battle in a desperate attempt to avert the unavoidable and was already warning its people against the worst possible outcome.[1] Domestically, there were also strong undercurrents of unrest, as manifested in a series of events that posed direct challenges to the regime. Starting with the letter-bomb incident of January 1977 and the publication of an instantly popular new periodical strongly critical of the Government in July, it reached a climax in November with the crack-down on a so-called 'Taiwanese People's Liberation Front' and the biggest victory ever for the opposition candidates in the provincial elections. The latter were also marred by the most violent riot in twenty years in a county town, during which a mob of over 10,000 set fire to a police station and sixteen police cars.[2]

As the year drew to its end, however, it seemed that the situation was moving back to normal again. Mr Vance's trip to Peking in September did not break any new ground and the existing stalemate appeared to be as insurmountable as ever. On the other hand, Chiang Ching-kuo, the popular son of the late Chiang Kai-shek, was nominated in early 1978 as the sole candidate for the presidency and was duly elected on 21 March by a near-unanimous vote of the National Assembly in a nationwide drive towards unity. Nevertheless, no sooner had Taiwan had a breathing

[1] See *Lien Ho Pao* (United Daily News) (Taipei), 2–8 and 11 August 1977.
[2] *Far Eastern Economic Review*, 7 January 1977, pp. 7–8; 2 December 1977, pp. 10–12; and 27 January 1978, pp. 12–13.

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respite than there were new tremors on the political scene. High-level contacts between the United States and China were resumed by the visit to Peking of President Carter's national security adviser, Zbigniew Brzezinski, in May 1978, with a concomitant announcement of a further reduction of the already limited US presence on Taiwan. At the same time, public demand for political reform was also renewed within the island republic, almost immediately following the inauguration of the new President, in the thinly veiled form of 'suggestions' to and 'comments' on the new Government.

Changing environment

Although so far the Nationalist Government has successfully played down the significance of both the growing pace of détente between Washington and Peking and the increasingly explicit desire of the Taiwanese people for policy renovation, the apparent atmosphere of normality cannot conceal the fact that the domestic and external environments of Taiwan are changing rapidly. The above-mentioned events merely reflected the strong winds of change that are striking at the Nationalist Government from both outside and within. There are two major sources of unrest exerting a constantly growing pressure upon the Nationalist regime, one external and another internal, and the two are intertwined and mutually reinforcing. Externally, the Nationalist Government after thirty years of close partnership with the United States is more handicapped than at any other time before in attaining its cherished goal of recovering the mainland, and is increasingly isolated in its pursuit of a hostile anti-Peking policy. The growing international recognition China is receiving has effectively undermined whatever legal claims Taiwan still entertains over the mainland. The continuing détente between Washington and Peking and the irreversible trend towards establishing normal diplomatic ties between the two giants has also completely dashed Taiwan's hope of receiving even moral support from Washington in any possible military undertaking the regime might still contemplate against the mainland. With the shadow of China's might steadily growing and without the traditional backing of the United States, Taiwan is under increasing pressure drastically to scale down its original goal of reunification with the mainland to preservation of its separate identity and existence.

Internally, as the myth of Taiwan's claim over the mainland has been dealt a fatal blow, the legitimacy of the entire government structure that has been based upon it and the overall orientation of the regime's foreign and domestic policies are also becoming more and more questionable. Unable to realize its objective of retaking the mainland for almost three full decades and with no hope of attaining such a goal in sight, the Government has found it increasingly difficult to justify the perpetuation

of the world's longest *état de siège* and the oldest Parliament in history.[3] This is particularly so because of the emergence of a totally new generation with little sentimental attachment to the mainland and with a growing demand for self-expression. After nearly thirty years of separate existence, even mainlanders of the older generation are well resigned to the idea and likelihood of living out the rest of their lives in the island province. The need for appropriate structural reorganization and political liberalization to give genuine representation to a completely changed constituency and to add more substance to the process of 'Taiwanization' therefore has never been greater than today. An overhaul of the creaky Parliament is particularly urgent because the suspension of national elections for over thirty years has not only paralysed the legislative branch of the Government, but also produced a conspicuous 'privileged class' frequently beyond the reach of the law, and thereby caused widespread cynicism among the population. So far the Government has equated the preservation of the original Parliament with the continuation of its mandate to rule, but with the escalating process of natural wastage in this ageing body, the regime will soon find it impossible to adhere to this nebulous interpretation without falling into sheer absurdity.

However, if Taiwan cannot expect to realize its long-cherished dream in the foreseeable future, it is also in no apparent danger of being subjugated by Peking, whether militarily or otherwise. If the Nationalist regime is faced with growing internal unrest, it is certainly by no means on the verge of total collapse. In fact, Taiwan has sufficient strength to remain a separate, viable entity. Militarily, Taiwan has one of the most advanced defence systems in the world and can rely on a well-equipped, well-trained modern armed force which Peking is yet to match. With the continuing modernization of its defence industry and the rapid growth of its purchasing power, it is most likely that Taiwan will continue to possess adequate means to deter an overall attack or invasion launched by Peking. Therefore, as long as the balance of forces between the two sides of the Taiwan Strait remains unchanged, Taiwan's own security and continuing survival in the foreseeable future could be ensured.

Economically, Taiwan has been a well-known success story,[4] and its GNP and per capita income continue to grow at a rate that is faster than in any other nation in Asia. With the completion of the Ten Major Construction Projects expected within a year, and the planned inauguration of another twelve projects starting in 1979,[5] Taiwan is on the verge of a

[3] Martial law was proclaimed in 1949 as soon as the Nationalist Government had retreated to Taiwan. The existing Parliament, which actually consists of three separate bodies charged with different functions, was elected in 1947. The average age of the membership is seventy.

[4] See Joseph Frankel, 'Taiwan—the most stable part of China?', *The World Today*, June 1976.

[5] All these projects were oriented mainly towards strengthening the economic power and defence capability of the island.

major breakthrough that will elevate it to the prestigious club of developed nations. One important consequence of such remarkable achievements is the big gap that has developed between the island and the mainland in material conditions and that is actually making Chinese in Taiwan more anti-Communist than ever. At the same time, rapid and successful industrialization has led to increasing diversity within the population in terms of settlement pattern, occupational profile, income status and value orientations. A pluralistic society essential to a liberal democracy is clearly in the making. This crucial socio-economic transformation also has the effect of driving Taiwan further apart from the mainland. Moreover, along with the growing affluence of the people there has been tremendous progress in their educational level. With a literacy rate of 95 per cent and as much as 28 per cent of its 17 million people enrolled in school, the Chinese in Taiwan today are definitely among the best educated of the world.[6] And the persistent emphasis upon democratic ideals throughout the educational process has further provided the rising generation with both the knowledge of and desire for genuine democracy. In short, Taiwan has all the potential to become a prosperous and democratic country on its own. The main question now is: where does Taiwan go from here?

Several options

There are several alternative courses of action lying before the Nationalist regime. The first one that immediately comes to mind is complete political independence. To a disinterested—or perhaps even interested—Western observer, political independence appears to offer the most logical and desirable solution to the whole problem. It certainly remains the most favoured option from the standpoint of the United States in spite of all the public pronouncements to the contrary. Presumably it would also satisfy certain groups of Chinese both in and out of Taiwan who are intellectually and emotionally opposed to both the Kuomintang (KMT) rule and a Peking takeover. In the long run, this may well also be the only solution to the entire issue if Taiwan continues to be separated from the mainland for an indefinite time. However, for two important reasons, political independence is not feasible at least in the short run. First, an open declaration of complete separation from the mainland would immediately draw into question the legitimacy of the existing KMT regime and entail the establishment of a new government that is truly representative of the people. After thirty years of unchallenged rule, the Nationalist regime has already become firmly entrenched and is certainly in no position to give up its power in such an outright fashion and so soon. On the other hand, since Peking has persistently claimed Taiwan as an integral part of China and tolerates no other

[6] *Free China Weekly*, Vol. 18, No. 47 (27 November 1977), p. 2.

interpretation, a formal unilateral declaration of independence by Taiwan also could not automatically make the island a separate legal entity. It would certainly invite a counter-declaration by Peking rejecting the independent status of Taiwan. And as long as Peking is recognized by the overwhelming majority of the nations as the sole Government of all China, the chances for an independent Taiwan to receive de jure recognition in the international community are as slim as for it to get out of its existing diplomatic isolation. Moreover, an official declaration of independence by Taiwan before Peking is prepared to accept it could only increase tension in the Taiwan Strait, because it would underline the inability of the Peking regime to back up effectively its long-standing claim to the island province. By the same token, it might even invite military actions on the part of Peking in a desparate move to regain the lost territory.

The second alternative is to persist in the existing policy of rivalry with Peking. This would continue to preserve the theoretical foundation of the Nationalist Government—however weak it might be—and therefore the power of the ruling elite. It would certainly conform with the lingering hopes of some older-generation mainlanders still nostalgic about a distant past of fame and wealth. It is also the easiest choice because it requires no change at all in Taiwan's overall foreign and domestic policies. However, this policy is fraught with pitfalls as the original conditions generating and sustaining it are either absent or rapidly disappearing. Its effectiveness was conditional in particular upon the continuing hostility between China and the United States and a reasonable chance for Taiwan to regain control of the mainland through either joint military actions with the United States or internal collapse of the Communist regime or both. With the current rapprochement between Peking and Washington and the continuing growth of China's prestige and power, Taiwan's persistence in a hostile attitude towards China could only sustain an atmosphere of rivalry and tension that is no longer in the interests of its own security. It has the two-fold disadvantage of leaving Peking with no choice but to adopt a similarly hostile posture towards Taiwan without at the same time increasing Taiwan's chance of attaining its political goals. It is quite obvious that, as long as Taiwan continues to challenge the legitimacy of the Peking regime and poses an active threat to it through both open propaganda and clandestine activities, China would be in no position to soften its stand on Taiwan and would feel compelled to seek its 'liberation' even by brute force if necessary and when it acquires the means to do so. Thus the two sides would be locked in a course of military collision sooner or later. By insisting on a military solution to the conflict, Taiwan would also put the United States in a painful dilemma between involving itself in another round of China's civil war and abandoning Taiwan entirely to its own fate should

hostilities break out in the Taiwan Strait. In other words, the United States would be forced to make a choice between two extreme courses of action neither of which appears attractive, and it might well opt for the less costly one, particularly in the light of the post-Vietnam orientation of American foreign policy.

But most serious of all, the perpetuation of an old myth in a drastically changed domestic environment is bound to blacken the public image of the Nationalist regime by enlarging the discrepancy between the democratic ideals the Government has consistently preached and the one-party state it actually practises. And the continuation of an anachronistic parliament completely out of touch with reality could only give the impression that the ruling elite is after all motivated by a naked desire for power rather than by any pious convictions. As the Government continues to operate in an almost totally unchecked and unbalanced fashion, with all the implications that go with it, the most solid base of power which the Government has been able to command so far, namely, popular support, would be eroded at a growing pace. As public dissent and disenchantment steadily accumulate, Taiwan would become more crisis-prone and certainly more vulnerable to Communist subversion. If, consequently, the Government resorts to more coercion and becomes more and more repressive—as it might very well do under such circumstances, the situation would further deteriorate, and the only major source of external support—the United States—would also be slipping away. In other words, the Nationalist regime may well be faced with both external isolation from its long-standing ally in a real sense and internal alienation from its own people. And conceivably the two processes could be mutually escalating with serious repercussions on the viability and stability of the regime.

Unlikely allies

One possible way of continuing Taiwan's orthodox policy without American support is to substitute another major power for the United States. Unfortunately, neither of the only two likely candidates, namely Japan and Russia, could be a complete replacement for the United States. Although Tokyo has openly expressed its concern over the security of Taiwan, Japan is in no position whatsoever to involve itself actively in a conflict that has already proved to be too intricate to resolve and too costly to sustain. After all, Japan still possesses only a small military force, with no ability to commit itself to the defence of another country, much less against China's will. And with the growing shadow of Soviet might in the Pacific, the major threat to Japan's own security is likely to come from the north rather than elsewhere. Economically, Taiwan is also becoming more and more a rival of Japan rather than its pliant junior partner or customer. As long as Japan is assured that its vast investment

in Taiwan would not be jeopardized in the post-normalization era, as it most likely will be, Japan too will see no need to antagonize a country on which it will come to depend more and more in the future both as a profitable market and as a major source of raw materials. This is all the more true at a time when Western protectionism is increasingly directed at Japan not only because of its immense trade surplus but clearly also because of its non-Western origin.

If Japan is too weak, or rather too wise, to take over the burden from the United States as protector of Taiwan, then the Soviet Union is too daunting to be trusted by Taiwan as a worthy ally. To the Chinese on both sides of the Taiwan Strait, Russia has certainly proved itself the most ruthless aggressor with an insatiable lust for Chinese territory. Being another Communist country, the Soviet Union is also ideologically unacceptable to Taiwan and there is definitely no reason for Taiwan to 'close the front door to the tiger while letting the wolf in through the back door,' as a Chinese saying goes. Allying with Russia would not pay off simply because superficial ties would not guarantee Taiwan's security against the mainland or promote the downfall of the Peking regime, whereas an extensive Russian presence might seriously undermine the very independence of the island. Therefore, in spite of reported Soviet overtures to Taipei and recurrent rumours of secret contacts between Taiwan and Soviet agents, Moscow has not gained any foothold in the Taiwan Strait and will most likely not do so in the foreseeable future. That Taiwan has repeatedly declared its intention to remain always in the 'camp of democracy' is also a clear indication of its profound distrust of the Soviet Union.[7]

Middle course

As neither complete independence from, nor continuing rivalry with, the mainland is conducive to the security and stability of Taiwan, the only way out for the Nationalist regime is to steer a delicate, middle course between the above two extreme lines, by adopting a more conciliatory attitude towards its conflict with Peking on the one hand, and by initiating structural reform and political liberalization within the island on the other. Here one must be reminded that, due to the great disparity between mainland China and Taiwan in terms of size and potential power, the long-term survival of Taiwan's separate status requires the solid backing of another major power or the acquiescence of Peking. Now that the United States is already on the course of normalization with China, with no apparent successor taking over its traditional role in Taiwan, Peking's acquiescence to, if not open approval of, the perpetuation of the status quo of Taiwan becomes a necessary condition

[7] For a recent reiteration of this stand, see *Free China Weekly*, Vol. 19, No. 8 (26 February 1978), p. 2.

of the long-term peace and stability in the Taiwan Strait. To be sure, this does not mean that Peking will indeed eventually allow Taiwan to remain permanently separated from the mainland. It does, however, imply that some sort of rapprochement between Taipei and Peking is essential to the relaxation of tension in the Taiwan Strait, which in turn is the prerequisite of any possible negotiated settlement of the dispute in the future. However, such rapprochement does not necessarily require Taiwan to make any territorial concessions or administrative adjustments in Peking's favour, or even to abandon openly its long-term goal of reunification with the mainland. All it entails would be for the Nationalist Government to suspend its open polemics against Peking, to cease challenging Peking's de facto control over the mainland, and to display a willingness to settle the dispute through peaceful means. Such a policy reorientation is necessary on the part of Taiwan, not because it is the weaker party and therefore condemned to making all the sacrifices necessary to an easing of tension, but because Peking has repeatedly made peace offers whereas Taiwan has adamantly adhered to a hostile policy of no contact and no negotiation. In fact, precisely because Peking cannot expect to take over Taiwan by any means in the near future and the United States is still committed to the defence of the island, Taipei's agreement to enter into some sort of dialogue with Peking now would provide the latter with a strong incentive to consider a modus vivendi of the dispute, without at the same time weakening Taiwan's position vis-à-vis Peking at all. And conceivably Taiwan would have all the advantages if the existing hostile confrontation could be transformed into peaceful coexistence and a peaceful competition. Even in the rather unlikely case that Peking would fail to respond positively to such overtures, Taiwan would also have demonstrated to the world and its own people the hypocrisy of China's attitude and the futility of negotiating with the Communists, with the blame for the continuing tension squarely shifting to Peking.

Need for internal reforms

Even if the long-term relationship between Taiwan and mainland China is seen as an unknown element that defies prediction, and Taipei is determined to stick it out as long as possible, still the Nationalist Government cannot avoid the mounting pressure generated from within the island and has to face the task of maintaining internal stability that is essential to the survival of the regime. In the past, the strength of the Nationalist regime has been based mainly on the active support of a large refugee population which had escaped Communist persecution and the passiveness of local Chinese having suffered a half-century of foreign rule. With the older generation quickly withering away and the new generation not only much better educated and fed but also much more inquisitive and concerned with their present living conditions, an entirely

new set of programmes and goals positively catering for their needs and aspirations is overdue. This also means that the younger generation—both mainlanders and Taiwanese—must be given more representation in the Government and greater freedom of participation in the political process; a genuine rule of law must replace persisting arbitrariness by the Government. Indeed, after thirty years of separation between the island province and the mainland, with no hope of their reunion in sight, no amount of propaganda or repression can any longer replace real efforts towards structural reorganization and political liberalization, if the regime is to ensure the continuing support of the rising generation and to facilitate social progress. Such reforms, however, do not necessarily require the complete revamping of the governmental framework at the national level, or even the dissolution of the ageing Parliament, but only an actual strengthening of organs of political representation through a massive injection of new blood or, alternatively, a provisional transfer of at least the legislative functions from obsolete national organs to more viable ones at the provincial level. At the same time, relaxation of press censorship, removal of the ban on political parties and suspension of martial law could all be effected on a graduated basis and by a simple act of proclamation, with little repercussions upon the regime. Conceivably, a period of lively 'blooming and contending' might ensue as a consequence of such measures, but given the strongly anti-Communist orientation of the people, it could only represent a healthy airing of sentiments and opinions without exposing Taiwan to a greater danger of Communist subversion. In view of the powerful organizational base and pervasive control that the ruling party enjoys, the Government would be in no danger of being toppled from its position of leadership. In fact, precisely because the existing Government still commands a good deal of popularity, a serious attempt made now to meet the needs of the time will greatly improve its public image and therefore widen its base of popular support.

By taking a more pragmatic attitude towards its conflict with Peking, without openly abandoning its long-term goal of reunification with the mainland, the Nationalist regime would at least remove the main cause of tension in the Taiwan Strait and therefore the main source of external danger, without at the same time undermining its own raison d'être. As long as the military balance of forces between the two sides of the Strait remains stable, as it is likely to be in the foreseeable future, such a policy would merely place Taiwan in a realistic posture rather than drive it into a position of desperation and danger. Similarly, by making its organs of representation more effective and truly representative, and by encouraging freer public participation in the political process, without necessarily restructuring the governmental framework at the national level, the Government would remove the most conspicuous signs of despotism and

certainly the biggest stumbling block to continuing progress in Taiwan. The principal source of internal danger would therefore be defused. It would also ensure an orderly transfer of political power from the old guard to the Taiwan-bred generation, without having to force the ruling elite to give up its position right away. Since the present Parliament has not performed a useful function after all and will have to become defunct through a process of natural wastage in any case, its revitalization through a massive injection of fresh blood or replacement by a more representative, energetic body such as the provincial assembly—at least in actual functions if not in name—would merely normalize the operation of an already accepted system of government rather than involve any constitutional innovation or unwarranted transfer of power between different branches of government. Such reorientation and reforms would therefore preserve the legal ambiguity of Taiwan's status required by the delicate situation it faces without impeding the necessary changes it urgently needs. And it would consolidate the domestic base of Taiwan's strength but leave the question of Taiwan's ultimate future open.

The above two sets of measures are moreover interrelated in a crucial sense and mutually supportive. A reduction of tension in the Taiwan Strait would enable the Nationalist regime to concentrate its attention and resources on the long-term development of the island in a realistic way and therefore end a long period of stagnation in Taiwan's social and political progress. At the same time, political democratization would bridge the steadily widening gap between the ruling elite and the masses by arresting growing social and political evils and by injecting new vision and new momentum into the leadership. The combined effects of these processes could only enhance the unity and strength of the regime and thus buttress its position vis-à-vis the mainland. But that is not all. The development of genuine democracy in Taiwan would greatly improve the international image of the Nationalist regime and would almost certainly solidify whatever substantive ties might remain between Taiwan and the United States. So far, American commitment to Taiwan has been based mainly on transient security or strategic considerations but not on permanent ideological affinity between the two nations. If Taiwan could demonstrate to the United States and the free world that it is a land of genuine democracy and freedom, it would almost certainly be guaranteed a place of respect in the 'camp of democracy' and a high priority in Washington's defence planning. This is also the surest way to keep the United States firmly committed to the defence of Taiwan in the longer run. What is perhaps even more significant, by widening the gap in the quality of political life in addition to the economic gap already existing between the island and the mainland, genuine Taiwanization and democratization would not only effectively deter Communist subversion but would also exert a powerful and lasting appeal on the Chinese living

across the Taiwan Strait. By demonstrating the viability and superiority of democratic institutions in a Chinese society for the first time in history, Taiwan would indirectly but surely enhance the prospect of reunifying China under a non-Communist regime. In fact, this is perhaps also the only and best way of attaining Taiwan's ultimate political goals.

Can Taiwan come to terms with reality or will it continue to uphold its old myth and old policy? The advantages of policy reorientation and structural reform are manifold and obvious, but it will be a painful process to initiate. Conversely, to perpetuate its present policy and governmental framework is a convenient option but one that would progressively tax the material and psychological resources of the regime, with serious implications for Taiwan's physical security and political stability. The choice is a difficult one that depends upon the vision and determination of Taiwan's leadership. Due to the advanced age of both the new President and the Vice-President,[8] as well as the increasing volatility of the situation, the choice probably will have to be made soon, with effects becoming visible perhaps as early as next year. Taiwan is clearly at the crossroads.

[8] Chiang Ching-kuo is sixty-eight and Shieh Tung-min, the Vice-President, is seventy. Chiang has no apparent successor.

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Note of the month

AFTER KENYATTA

AFRICAN leaders do not as a rule die peacefully in office. In this, as in many other ways, President Jomo Kenyatta was exceptional. Born about eighty years ago before his own land came under full British imperial control, he outlived the colonial period; for four decades the major spokesman for African opposition to colonial rule in Kenya and once branded by the Governor as a 'leader to darkness and death', he became not only Prime Minister and then President of an independent Kenya but also one of Britain's staunchest allies in the Third World. His death is thus an event of considerable historic importance.

Kenyatta's opposition to colonial rule had become clear by 1928 when he became Secretary-General of the Kikuyu Central Association and campaigned for more land for the Kikuyu people. He continued to express this opposition during his years of exile in Europe, first in Moscow and then in Britain, where he took a leading role among other black exiles in the Pan-African movement seeking self-determination for Britain's African colonies. When he returned to Kenya in 1946, he was soon elected President of the newly formed Kenyan African Union and spoke powerfully against the continuation of colonial rule. When the Emergency was declared in 1952, Kenyatta was arrested and then tried on a charge of managing the Mau Mau movement; after his trial at Kapenguria, a name now part of Kenyan mythology, he was, in a travesty of justice, found guilty and sentenced to seven years hard labour and detention to follow. While he was out of the political arena, constitutional changes came thick and fast and early in 1963 elections were held to determine the composition of the first parliament of an independent Kenya. By then, Kenyatta had been chosen in his absence to lead the Kenyan African National Union (KANU) and in December he became the first Prime Minister of the independent state of Kenya.

Kenyatta, for all the years he spent in public life, remains something of an enigma. Above all, he was intensely African. Despite his fifteen years in Europe, studying briefly in Moscow and then somewhat longer under Malinowski at the London School of Economics before working on a Sussex farm through the war years, he retained his primary attachment to Kikuyu culture, revealed clearly in his academic polemic *Facing Mount Kenya* with its dedicatory call to traditional values. His early elec-

tion addresses, his later countenancing of Kikuyu oathing ceremonies on his Gatundu farm, and his obvious enjoyment of traditional songs and dances emphasized his attachment to his own African, and specifically Kikuyu, past. There was an ambivalence, too, in his public politics. The beneficiary of the Mau Mau uprising which hastened independence, he nevertheless treated the forest fighters with scarcely concealed unconcern; consistently an advocate for self-determination and for national unity, he increasingly came to reject alternative visions of that self-determination and to favour his own Kikuyu people; despite his radically sounding words of the 1950s, he was essentially conservative. This, together with an overeagerness to use state power to advance his own and his family's economic fortunes, had begun to erode the almost universal respect he had enjoyed among Kenyans in the 1960s. He was no dictator supervising Kenya's every policy; others in the party, both among his own Kikuyu and, like Paul Ngei or Oginga Odinga, among other tribes, carried weight and enjoyed political support of their own. The Government was run by ministers and it was increasingly Kenyatta's role to mediate where agreement between the factions was not possible. His status, based partly on age and experience and partly on his prestige as the 'father of Kenyan nationalism', permitted him to arbitrate authoritatively, when he spoke, he was obeyed.

Kenyatta's concern for wealth and status, conspicuously shared by his family, and his increasing objection to dissenters lie at the heart of outsiders' judgement of Kenya. To some, it offers the rare and agreeable example of a flourishing, economically successful and stable state which provides the classic exception to trite generalizations about endemic instability and lack of development among African states; to others, it stands as a monument to the inequities of rampant capitalism with its growing inegalitarianism and its recourse to authoritarian state power. The truth, as so often happens, surely lies between the two caricatures Growing disparities of wealth coexist with a generally rising prosperity; selective detention, and in very extreme cases assassination, are balanced by a more open press and more critical National Assembly than elsewhere in East and Central Africa. Above all, despite the frequent fears that tribal divisions would tear the country apart in violence, there have been fifteen years of essential stability, disturbed, it is true, from time to time, as after the murders of Tom Mboya and J. M. Kariuki, but ultimately reasserting itself.

Journalists have often credited Kenyatta with the sole responsibility for restraining the country's fissiparous tendencies and have agonized for more than a decade over his successor. Kenyatta groomed no heir apparent; indeed, he forbade discussion of the succession. But it is unlikely that the search for a new president will markedly interrupt the current political process; the mode of decision-making and the fruits of

those decisions have created an uneasy unity of interest among the élite, Kikuyu and non-Kikuyu alike, which they will not want to jeopardize. The Vice-President, Daniel arap Moi, inherits presidential power under the Constitution for ninety days and he is expected to be nominated by the sole functioning party, KANU, on 6 October and thus become President. This will not end the internal divisions of KANU, but it will mask them, for Moi comes from a small tribe and is thus acceptable to those who fear further Kikuyu dominance; the Kikuyu, divided though they themselves are, realize that they need the support and co-operation of other tribes and Moi should ensure that their dominant position can continue. The rapid endorsement of Moi by party branches throughout the country indicates the concern among the lesser élites that the present situation should not be radically altered. The election of Moi will not resolve the incipient conflict between richer and poorer Kenyans, but it should ensure for some time that the essentially capitalist and pro-Western policies of Kenya continue. The Kenyan armed forces, aided perhaps by their friends in the West as in the 1964 mutiny, are likely to support the established authorities.

A flourishing capitalism under government supervision and growing class distinctions, to which President Kenyatta's policies contributed so much, may be his most enduring legacy. In the short term, such a legacy should provide continuity, but the long term depends on the quality and intensity of debate within KANU, shorn of the one man with the authority to impose solutions on intractable disagreements. The test for Kenyan politicians now is whether they can compose their differences without the dominant personality of President Jomo Kenyatta.

RICHARD HODDER-WILLIAMS

Soviet arms exports to the Third World: a pattern and its implications

RAYMOND HUTCHINGS

The observable similarity between the rhythms of Soviet defence spending and Soviet arms deliveries to the Third World raises the possibility of an important and as yet little heeded causal factor in international crises.

SOVIET support of individual countries in the Third World, or of particular factions in them, either directly or vicariously, has become a major issue in international relations. Among the means at the disposal of the Soviet Union to influence events in this part of the world, weapons occupy an increasingly prominent place, due both to the growing volume of weapons exports and to their capability to place recipients in a stronger position.

The motives of the Communist countries for selling arms have sometimes been alleged to be non-economic. Thus, according to the Stockholm International Peace Research Institute (SIPRI), 'the economic gains which the Soviet Union has made by supplying weapons to developing countries are negligible', and 'there seems no significant pressure to export, on the supply side, in the Soviet Union'.[1] While Soviet arms deliveries to the Third World have been on a scale that cannot have failed to be of substantial importance to the Soviet balance of payments, the latter is not the only dimension in which to measure the impact of economics. If, as cannot be doubted, the economic structure of capitalism affects the arms trade, what can be said in this connexion about the economic structure of Communist countries?

This article argues that the timetable of the Soviet long-term economic plans has very probably exerted a major influence upon the timing of Soviet arms deliveries to the Third World. If this is so, the timing of

[1] SIPRI, *The Arms Trade with the Third World* (Stockholm: Almqvist and Wicksell, 1971), pp. 182–3; cf. SIPRI, *The Arms Trade with the Third World* (Harmondsworth: Penguin Books, 1975), pp. 78–9.

Dr Hutchings was Research Fellow at Chatham House from 1968 to 1971; author of *Seasonal Influences in Soviet Industry* (London: OUP for RIIA, 1971) and *Soviet Science, Technology, Design: Interaction and Convergence* (London: OUP for RIIA, 1976); he wishes to thank Professor Michael MccGwire for a remark that led directly to the theme of this article, which was also the subject of a talk given at Chatham House in June; a more detailed version is appearing in *Osteuropa-Wirtschaft*, September 1978.

many events of great importance in the post-war international scene must have been affected by the rhythms of Soviet planning.

The pattern

The Soviet Union publishes no statistics about its arms deliveries, but SIPRI has compiled and published its own figures upon which this analysis rests.[1] The annual series covering the period 1950 to 1975 inclusive reveals two regularities which although plainly exhibited have not attracted the attention they deserve: (i) The overall trend of Soviet 'major arms' exports to the Third World rises steeply and almost uninterruptedly. This is seen especially clearly when a moving average[2] with a duration of five years is calculated. (ii) Their annual totals fluctuate in a rather regular, rhythmical or cyclical manner, the duration of this cycle being about five years.

'Major arms' comprise aircraft, naval vessels, armoured fighting vehicles, and missiles. Several categories of weapons are therefore excluded. SIPRI believes 'major arms' to include just under half the total of Soviet arms exports to the Third World, which latter term signifies here Africa, including South Africa; Asia, excluding the USSR, China and Japan; Latin America; and Greece and Turkey. The SIPRI totals—and consequently this analysis—do not distinguish between arms supplied by trade or by aid. Let us now look at the two above-mentioned regularities individually.

(i) Soviet exports of major arms to the Third World have become huge. As reckoned by SIPRI in US dollars at 1973 prices, in each of the years 1973, 1974 and 1975 they exceeded $1·5 billion (see Table 1). And the

Table 1

Soviet Exports of Major Arms to the Third World

(US $m. at 1973 prices)

Year		*Year*		*Year*		*Year*		*Year*		*Year*	
1950	25	1955	66	1960	165	1965	408	1970	836	1975	1652
1951	43	1956	148	1961	391	1966	608	1971	1085		
1952	28	1957	256	1962	786	1967	1013	1972	726		
1953	176	1958	196	1963	329	1968	892	1973	1542		
1954	9	1959	111	1964	287	1969	870	1974	1540		

Source: Stockholm International Peace Research Institute, *World Armaments and Disarmament, SIPRI Yearbook 1976* (1976), pp. 252–3.

[1] The series appearing in successive versions put out by SIPRI are not identical. For some comments on differences between the series, see the present writer's longer article in *Osteuropa-Wirtschaft* mentioned above; also the Central Intelligence Agency's *Communist Aid to the Less Developed Countries of the Free World, 1976* (August 1977), Table 5 and Figure 1.

[2] A moving average of annual quantities is reckoned as the arithmetical average of the annual totals of a fixed number of years, of which the given year is the middle one. Such an average will obscure any fluctuation which has a periodicity equal to this fixed number.

Diagram I

Five-Year Moving Averages of Major Arms Exports to the Third World by the 'Big Four'

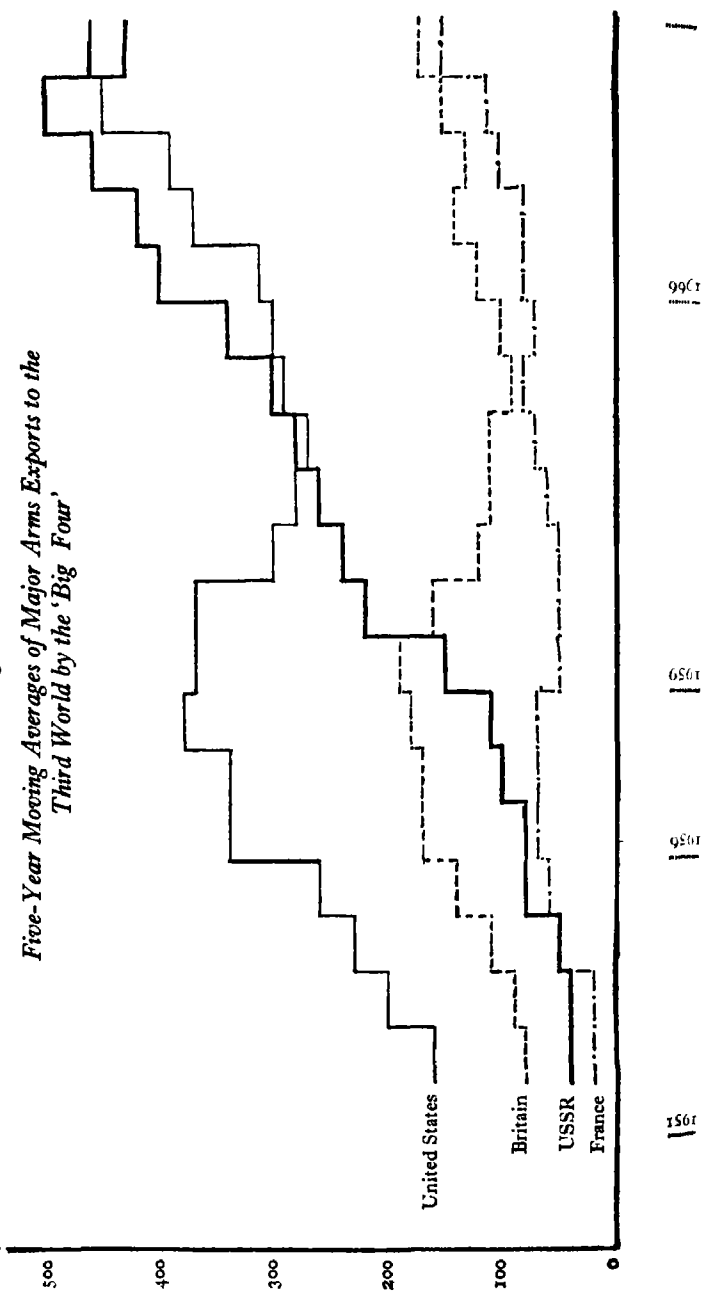
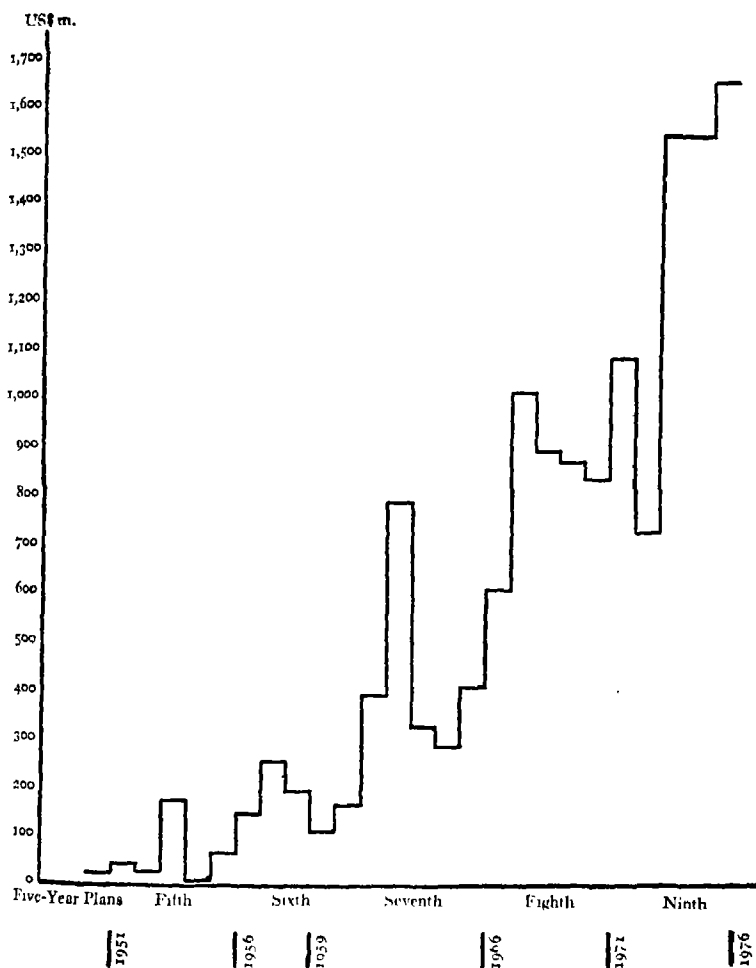



Diagram 2

Annual Totals of Soviet Major Arms Exports to the Third World

Soviet Union does not export only major arms, or export arms solely to developing countries. The almost continuously rising trend of Soviet exports of major arms to the Third World contrasts with similarly reckoned averages of exports to those countries from the other principal arms suppliers—the United States, France and Britain. As Diagram 1 shows, exports by these three countries have risen less steeply and consistently. Although over about the last two-fifths of the period examined

here the two super-power trends were approximately parallel, it was the US gradient that drew closer to the Soviet trend, rather than the other way round. The remarkably steady Soviet gradient puts one in mind of some more consistent influence than would be likely to stem from the variable tempos of international relations. If one seeks instead a linearly increasing quantity, it may be relevant that such quantities can be found in Soviet economic development.[4]

(ii) Going behind the moving average to the annual totals, we obtain Diagram 2—the most prominent feature of which is a marked fluctuation. By eye, this seems to rise and fall with a wavelength of about five years, which fits the fact that it is virtually eliminated by a moving average of this duration.[5] While this fluctuation is immediately visible, especially if one draws attention to such regularities as the accelerated growth from the final year of a five-year plan to the second year of the next five-year plan in each of the Fifth, Sixth and notional Seventh[6] five-year plans, it is confirmed by less subjective analytical tests.[7]

The reasons

What are the origins of this fluctuation? Conceivably, it might simply reflect a correspondingly varying total demand for Soviet arms from the Third World in general. However, this is very unlikely. In that case there should be a strong possibility that sales of arms from other major suppliers would exhibit a similar pattern. In fact, however, year to year changes in exports of major arms to the Third World from the United States and the Soviet Union are statistically uncorrelated. Moreover, whereas the USSR repeats the sequence described in footnote 7 (up-down-down-up-up), none of the other suppliers exhibits any given sequence; there is also no common sequence of the suppliers during any span corresponding to a Soviet five-year plan, except only of the United States and Britain during the Seventh Plan (down-up-down-up-down in each case). It is also extremely unlikely that any autonomous rhythm in international affairs which was reflected in the Third World's demand

[4] For instance, this has been true in certain periods of Soviet budget revenues and expenditures, and of Soviet electric power output.

[5] See above, note 3.

[6] A notional 'Seventh Five-Year Plan' is interpolated here between the Sixth Five-Year Plan, which is assumed to have run its full course, i.e. from 1956 to 1960 inclusive, although it was claimed to have been superseded in 1957 by a Seven-Year Plan which began in 1959. The interpolation is consistent with some subsequent official statements and with various practical results although not with the contemporary nomenclature.

[7] These show that (*a*) each of the Sixth, Seventh and Eighth Plans records a sequence up-down-down-up-up of arms exports from each year to the next (beginning with the first year in each Plan), which would be unlikely by pure chance since over a five-year span, if a total can either rise or fall, there can be thirty-two possible different sequences, and (*b*) measurement of the fluctuation (by adapting an index originally devised by this author to measure seasonality) yields very similar results for each of these three five-year plans.

ɔr arms would adopt a quinquennial cycle. The broadest post-war trend ffecting the Third World—decolonization, which is directly relevant to he demand for arms supplies—has had a very irregular timing.

No doubt, various events external to the USSR, such as wars, fears of ars, and the consolidation of tyrannical regimes, could and did influence ie series; but they seem to have affected the destinations of Soviet arms kports more than their annual totals. This is clearly shown in the IPRI statistics in geographical cross-section. In 1967, for example, by ır the largest increase was in Soviet arms supplied to the Middle East—oubtless to Arab countries in the wake of their huge losses of equipment ı the Six-Day War. Soviet exports of major arms to the Middle East rose om 84·0 (US $m. at 1973 prices) in 1966 to 522·7 in 1967—a more than xfold increase. Soviet exports of major arms to all Third World counies not quite doubled over the same period.[8]

Apart from direct evidence, the proposition that destinations will be ıore variable than totals, is made overwhelmingly probable by the ıllowing considerations. First, this is simply a particular application of ie statistical norm that parts tend to be more variable than the whole. econd, the USSR is a planned economy, with little surplus productive ıpacity. Sharp variations in arms exports in response to variations in kternal demand would make the planning of arms stocks, and any ıtional planning of arms production, impossible. A market economy, eing unplanned and possessing surplus capacity, is far better equipped ı respond to such variations. Thirdly, Soviet foreign policy—being ntrammelled by interest groups among Soviet citizens, in stark contrast ı the situation in Western countries and especially in the United States—as exceptional political flexibility in switching its deliveries to alterative destinations. If proof is required of this statement, recent events ı the Horn of Africa supply it. Thus, both the recorded facts and ıeoretical arguments point to the conclusion that external events would npinge on the destinations of Soviet arms exports more than upon their ıtal amounts.

Of course, this does not mean that the Soviet Union, once its interational interests are strongly engaged, will necessarily limit its response ı redistributing shipments that would have been made anyway to the 'hird World in general: but this would probably be the first reaction. edistribution may also extend to shipments that in other circumstances 'ould have been made from the USSR to bloc countries, which may even e required to deplete their own stocks. Finally, adjustments can be made ı the total volume of exports. The less regular fluctuation in 1966–70 erhaps shows that external influences were then starting to rival the ıternal ones.

The Middle Eastern wars of 1967 and 1973 coincided with years when

[8] SIPRI, *The Arms Trade with the Third World* (1975), Table 6 (pp. 82–3).

Soviet shipments of arms to the Third World rose sharply, but while these increases were certainly not accidental, those events need not have compelled such a massive Soviet response. Moreover, it is by no means impossible that the causation was the other way: larger supplies of Soviet arms tending to precipitate the conflict. Similarly, the massive airlift of Soviet arms to Ethiopia in 1977–8 is currently enabling that empire to overwhelm the Eritrean secessionists. Middle Eastern wars cannot account for the peaks in arms exports in 1953 and 1962, which respectively were the third year of the Soviet Fifth Five-Year Plan and the second year of a notional Seventh Five-Year Plan—the peaks in those years matching the dominating rhythm of Soviet arms exports to the Third World.

External events not being unambiguously assignable as the cause, we might consider whether internal events, in particular the most important and regular of these—the Soviet long-term plans—might be responsible. Could one surmise that the fluctuation in arms deliveries is mainly governed by the timetable of these plans? Let us see what evidence can be adduced for or against this hypothesis.

It might be urged against it that the Soviet Union could not then be sufficiently responsive to external happenings, and so would fail to seize all conceivable opportunities. But such opportunities would be much more likely to emerge in the direction of giving support to particular countries or factions than in the direction of maximizing total exports of arms.

As regards evidence in favour, can any realistic mechanism connect arms exports with the chronology of the five-year plans? Three angles of approach seem to offer promise: (*a*) production generally, (*b*) foreign trade generally, and (*c*) defence spending.

(*a*) The USSR constantly renews its stock of military material, and Soviet-type production plans tend to make production runs toe a chronological line. Over a range of items that line would surely be blurred, and that range being extremely wide, surpluses and shortages would be unlikely to emerge overall in such a pronounced manner as to evoke the observed fluctuation in exports. However, as 'major arms' tend to involve unusually long lead-times in their production, their output might vary unusually markedly or unusually regularly, this variation being reflected also in exports. It can be presumed that unless foreign policy considerations supervene, arms supplies go first to the Soviet armed forces, then to allied countries and last to others. With a six-year cycle starting in the first year of a five-year plan,[9] exports to the Third World would thus surge upwards in the second year of each five-year plan (except the first). This timing is actually the most common case, as shown in Diagram 2.

(*b*) If Communist economies concentrated their imports in the closing

[9] This phasing is based on M. Chechinski, 'Structural Causes of Soviet Arms Exports', *Osteuropa-Wirtschaft*, No. 3, 1977.

years of their plans, which in general are synchronized, imports into all these countries would rise at about the same time. If production did not adopt the same sequence—and there is in fact some tendency for growth rates of production to be higher in the middle years of long-term economic plans—there would be mistiming between each country's production and its imports, and consequently also (neglecting times of transit, which are small between most Soviet bloc countries as they are mostly adjacent to each other) between each country's production and its exports to other Communist countries. What could the country do to neutralize the effects of such mistiming, short of revising its planning timetable? One imaginable solution would be for it to export to economies that were *not* synchronized with its own at times that dovetailed with the low points of its exports to the plan-synchronized group. Supposing that this rhythm applied to arms exports to Third World countries—the only customers for arms from the Soviet bloc, apart from other bloc countries—such exports would tend to be concentrated in years other than the closing years of the bloc countries' five-year plans. The observed peaking of arms exports from the Soviet Union to the Third World, usually in the second year of the Soviet five-year plan, matches this imagined reaction.

(*c*) As the present writer has shown elsewhere,[10] sums assigned for defence (in Russian: *oborona*) as a proportion of Soviet total budget expenditure tend to rise towards the mid-point of a Soviet long-term plan and to decline towards its end. While not an invariable or altogether regular sequence, this happens often enough and regularly enough to be interpretable as a non-random variation, especially as a reason for it can be discovered. For spending on the economy (i.e. investment and subsidies for economic purposes) should be highest at the start and end of each long-term plan in order to get the plan off to a good start and to bring it to a successful conclusion. If there is a ceiling on total spending at any one time—this would match a situation of no surplus productive capacity—any other heading of expenditure that is not debarred from adopting an opposite, dovetailing, rhythm, would probably have to do so. As expenditures on social welfare (pensions, health, education) are inherently rather inflexible, spending on the economy and on defence which are the only other major headings would be likely to vary in a mutually compensating manner—as, in fact, they do. The tendency for spending on defence to be highest at the middle point of long-term plans is thus the concomitant of the tendency for spending on the economy to be highest at their start and end. The assumption here is that spending on the economy is normally the independent variable. This by no means excludes the possibility that abnormal international events might upset the normal priority—as does happen on occasion.

[10] See especially Raymond Hutchings, 'Fluctuation and interaction in estimates of Soviet budget expenditure', *Osteuropa-Wirtschaft*, No. 1, 1973.

Soviet defence spending thus shows a tendency to fluctuate. This fluctuation is much smaller in amplitude than that of Soviet arms exports to the Third World. However, this is to be expected, arms exports being the smaller quantity; moreover, arms are sent to a number of destinations (and as noted in (*b*), times of maximum delivery to the Third World may compensate for times of minimum delivery to alternative destinations) whereas defence spending has to be adjusted to the less flexible circumstances of a single one, where the link between manufacturing capacity and spending would be closer than that between manufacturing capacity and volume of exports.

Possible connexion

How might the rhythms of defence spending and of arms exports be connected? Perhaps the simplest imaginable connexion would be that, with the overcoming of a period of relatively acute stringency for defence spending, arms production could rise (or, could rise more rapidly) so that larger quantities would become available for export (amongst other purposes). We can, however, imagine less straightforward scenarios: for instance, supplying ministries might find it easier to obtain authorization to export (and thereby regulate stocks) just before an anticipated spell of peak production when stocks could be more rapidly replenished.

The statistics offer a clue to which of these alternatives is correct. Rises in arms exports mostly precede rises in defence spending by a year, rather than follow them by the same interval. Similar directions of movement are found almost twice as frequently when upward movements in arms exports precede similar movements in defence spending as when they follow them. This result was unexpected; but on reflection it strikes the present writer as much the most likely causation, especially because exports could then exert a compelling influence on production whereas the converse relationship would merely be permissive. If arms have already been exported, this would goad the affected ministries to press for larger appropriations, particularly if the exports have deprived the national armed forces of weapons that they urgently need. This having been the sequence of events following the shipment from the United States of substantial numbers of main battle tanks to Israel during the Yom Kippur war, one can expect Soviet reactions to be analogous.

But are Soviet exports of arms to the Third World large enough to determine whether Soviet spending on defence rises or falls? Although both quantities can be estimated only with substantial margins of error, the answer must be affirmative. On average, in years when the directions of change of both quantities were the same, the magnitude of the change in arms exports was about one-fifth of the change in that fraction of defence spending that might have been spent on exportable hardware (assumed here to be 40 per cent). In certain years the ratio would have

risen to about half as large. Moreover, 'major arms' includes perhaps less than half the total volume of Soviet arms exports to the Third World, and arms shipments to Soviet bloc countries are undoubtedly large also. In certain years, Soviet arms exports have become so big relative to overt defence spending that the latter must be understated. Although this conclusion would not be original (Western assessments ordinarily suppose some Soviet spending on defence to be included under headings other than *oborona*), it would have been reached by a new route.[11]

By a quite different technique of analysis, Soviet estimates of defence spending in 1964 were previously found to have been unexpectedly small, but in 1967 to have been unexpectedly large.[12] These were years when Soviet arms exports to the Third World also were unusually small and unusually large, respectively: in 1964 they were the smallest in total for any year since 1960, while in 1967 they amounted to the biggest postwar total up to that time (see Table 1). Very possibly arms exports were curtailed in 1964 due to an unexpectedly small defence appropriation, while in 1967 they could rise due to an unexpectedly large one.

Summing up the preceding paragraphs, the rhythms of Soviet arms exports and the chronology of the Soviet five-year plans are very probably interconnected. One of the envisaged links even solves a previous puzzle. The argument does not *prove* the existence of a causal link, one way or the other: for this, direct evidence, which in the nature of the case is unlikely to become available, would be required. But evidence that falls short of proof can nevertheless be persuasive—and a valuable guide to action.

For logical completeness, one ought indeed to ask one further question: do Soviet circumstances give rise to any rhythm with a duration of about five years apart from the five-year plans? No such rhythm occurs to the present writer, and given the plans' pervasive character it appears very unlikely that any exists. Although the periodicity of congresses of the Soviet Communist Party is the same, they cannot be separated from the long-term plans since as a rule each plan is approved by the corresponding congress.

As to whether fluctuations in arms exports are cause or consequence of some other fluctuation, the arguments may appear divergent. On the one hand, such exports if they exceed a critical level can (we suppose) necessitate an appropriate alteration in production and/or in defence spending; on the other, such a result seems incompatible with a directive role of

[11] Analogously, Soviet spending on science can be contrasted with Soviet spending on defence. Official figures show the former as now exceeding the latter, a relationship that one analyst has called 'totally implausible'. See William T. Lee, *The Credibility of the Soviet 'Defense' Budget* (Washington: General Electric—Tempo, Center for Advanced Studies, January 1975), p. 5.

[12] Raymond Hutchings, 'Patterns of fluctuation and visibility of Soviet postwar defence expenditure', in Franz-Lothar Altmann (ed.), *Jahrbuch der Wirtschaft Osteuropas*, Band 7 (München-Wien: Gunter Olzog Verlag, 1977), pp. 278–91.

plans in the Soviet economy. Yet a way out of this apparent impasse can be found. The solution may be that variations in arms exports *both determine and are determined by* the plans' timetable. Determine, because once they have been exported there is a need to take appropriate measures, which impinge on weapons production and defence spending; are determined by, because those exports had been authorized bearing in mind how long it would take to replace them. The long-term plans being a deep-seated feature of the Soviet political and economic system, the fluctuation in arms exports to the Third World—like their continually rising trend—must be seen as strongly influenced by internal forces.

The International Implications

Elsewhere, it has been suggested that Soviet foreign policy might sometimes have been manipulated by the Soviet defence authorities with the object of securing larger appropriations for themselves.[13] Manipulation of the volume of arms exports with parallel motives would offer an analogy. If the enlarged appropriations could purchase newer weapons for the Soviet armed forces, technical improvement of those forces could even emerge as a motive for exports. Alternatively—though this probably has only marginal importance in Soviet circumstances—production runs might be lengthened, and unit costs consequently reduced. However, perhaps the likeliest normal sequence of causation is that a demand for arms from the Third World that is relatively stable from year to year (although rising in a long-term trend) comes up against a variability of Soviet willingness to supply, with the result that the pattern of supplies assumes the cyclical form already described.

The relationships uncovered in this article may have specific retrospective implications. What, in fact, determined the timing of events of such huge importance in the post-war history of international relations as the Cuban crisis of 1962? It must now be seriously considered whether that crisis was not precipitated by the rhythms of Soviet armaments production, and thence—at only a slight remove—by the timetable of the Soviet long-term plans. Factors behind the timing of the Middle Eastern wars also need to be reconsidered from this angle. Although other factors may already seem adequate to explain their timing, it may be remembered, for example, what a surprise the Yom Kippur war was at the time, not least to the Israelis. It would appear necessary to undertake a systematic investigation into the role of Soviet arms supplies as triggers for major events.[14] Meanwhile, it is immediately clear that the examined relation-

[13] See Raymond Hutchings, 'Soviet defence spending and Soviet external relations', *International Affairs*, July 1971.

[14] The impact of Soviet arms supplies at particular times has been noticed by many people, and some have linked their arrival with impending conflict. For instance, according to Uri Ra'anan, arms supplied to Nasser's Egypt at least fifteen months before the Suez conflict were one of its prime causes (*Slavic*

ships may have the ability to illustrate, and indeed explain, certain current events on the international scene. Thus, the large-scale shipments of Soviet arms that enabled Ethiopia—aided by Cuban troops and Soviet advisers or commanders—to reconquer the Ogaden, began late in 1977, which was the second year of the Soviet Tenth Five-Year Plan and precisely the year when Soviet exports of major arms to the Third World are normally at their peak. The unexpected switch of Soviet aid from Somalia to Ethiopia indicates a probable answer to a question this author set himself a year ago; namely, what would be the focus of an anticipated substantial rise in Soviet arms exports in 1977. If the two principal trends described above and their interconnexion have validity, the near future should see some falling-off in Soviet arms deliveries to the Third World in general (although their specific destinations can be varied), unless it is decided to award a higher priority to such deliveries as compared with alternative uses. In the early 1980s, however, when the cycle is due to enter another period of upswing, Soviet arms deliveries to the Third World in general are likely to rise again.

Review, December 1977, p. 689). The need now is to take the explanation a stage further, by means of interweaving the influence of the rhythms of the Soviet long-term economic plans.

Changes in South Asian intra-regional and external relationships

DIETER BRAUN

IN May 1978, India's Minister for External Affairs, Mr Vajpayee, stated: 'India today has less reason than ever before to fear threats or attempts to distract her from constructive endeavour at home. The subcontinent, as a whole, pulsates with a new confidence in peace and desire for co-operation.'[1] By contrast, as recently as 1975, the American scholar Norman D. Palmer had called South Asia 'an area characterized by relative lack of contacts and co-operation among the indigenous states, and by an unusually high and persistent level of conflict'.[2]

Both statements are relevant today. New confidence certainly exists, and it is particularly noteworthy that domestic troubles which beset each country are no longer laid at the door of some evil neighbour. On the other hand, conflicts keep raising their heads, often from unexpected quarters; the present political and economic decline of Pakistan, for example, could hardly have been predicted in 1975. Thus, considerable elements of both stability and instability coexist. This in itself might not be new; new, however, is the emphasis on 'change' which has lent dynamic qualities to formerly often static problems.

The Indian Foreign Minister, understandably, gives all the credit for positive shifts to his Government which took over in the spring of 1977. This, however, does not take due account of the complex international processes that have evolved recently irrespective of the domestic power distribution in India. Bilateral relations with Bangladesh and, to a lesser extent, with Nepal, indeed improved as a consequence of Janata's take-over. But this was not within the mainstream of events that had led Mrs Gandhi's Government in the spring of 1976 to take important steps towards an accommodation with India's most intractable neighbours, China and Pakistan. Similarly, new modes of co-operation between South Asia and West Asia (the Middle East) came into being years before the change of government in Delhi. In all probability, this latter develop-

[1] Address at Jawaharlal Nehru University, New Delhi, on 13 May 1978. *Indian and Foreign Review* (New Delhi), 1 June 1978, p. 14.

[2] 'The changing scene in South Asia—internal and external dimensions', *Orbis*, Fall 1975, p. 898.

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ment was the catalyst for subsequent changes in the traditional pattern of relationships in these parts of Asia.[3]

An Asian Common Market?

South Asia's rapidly growing dependence on Middle East oil exporters after Opec price rises led to Iran's design of close economic co-operation with the countries to its east, mainly Afghanistan, Pakistan, India, Nepal and Bangladesh. In conjunction with a similarly motivated India, the Shah hoped to bring economic as well as political weight to bear and to make use of complementary resources. With Mrs Gandhi's Government, a fair degree of understanding along this line was established, which has since continued with little change.

Iran's rationale has been twofold: its economic, mainly industrial, development plans are being concentrated on the lower Gulf area where within the next decade billions of dollars are to be invested. South Asia is a logical choice when looking from Tehran for potential markets, additional sources of raw material, complementary industrial goods and, not least, food products for that area. In view of congested ports, the opening of land routes would be essential.[4] This is closely connected with Iran's keen interest in fostering political communication with South Asia to counteract Soviet inroads there.

India highly appreciates the growing economic links with Iran but has its own reasons for subscribing to regional co-operation. Although it has paid lip-service to some form of institutionalization—such as an extension of the Regional Co-operation for Development (RCD)[5]—India does not, given the present state of political consciousness in South Asia, believe in groupings of any sort or in any field. Instead, it strongly favours bilateralism with individual partners which might include some multilateral approaches, such as transit rights for trade purposes. Regarding Soviet influence, India for obvious reasons is playing the game much more subtly than Iran. But, even under Indira Gandhi, there was a basic understanding between Delhi and Tehran to keep the Russians in this area of common interest at arm's length. This concern has certainly not diminished since.[6]

It is obvious that the main impediments in the way of such a multilateral venture are less economic than political. On the part of the smaller states, fear of any form of domination by the two main regional powers is still vivid. Pakistan, in particular, has never left any doubt about its oppo-

[3] Howard Wriggins; 'Changing power relations between the Middle East and South Asia', *Orbis*, Fall 1976, pp. 785–803.

[4] A. Amirie, 'Iran's drive to promote close Asian co-operation', *Kayhan International* (Tehran), 16 November 1977.

[5] Presently comprising Turkey, Iran and Pakistan.

[6] See the consultations of Mr Vajpayee and, subsequently, of Mr Desai with the Shah after the recent coup in Afghanistan.

sition to the plan for an Asian Common Market. At the time of strongest pressure from both its neighbours, the regime's viewpoint was propagated by the press: to give in to Iran's and India's wishes would amount for the smaller South Asian countries to surrendering their sovereignty.[7] When Pakistan argued that its infrastructure could not cope with overland trade between Iran and India, Iran offered massive aid for development. To this, General Zia-ul-Haq rather cryptically remarked (in an interview with a Tehran newspaper): 'If we could have money and aid from abroad to develop our roads and railways, we would consider it. But now, apart from rail and road improvement, it has other implications. So that is why we are not biting so quickly.'[8]

Afghanistan under Daoud was in line with this Pakistani attitude: bilateral aid, yes, multilateral arrangements, no. With the new regime in Kabul which would certainly not be amenable to any scheme with even a slight anti-Soviet bias, it looks as if the idea of an Asian Common Market, as propagated mainly by Iran, has lost its last chance of realization.

Uncertainties in Afghanistan and Pakistan

However, along this road Iran, with the help of considerable disbursements, had made an important contribution towards a softening of previously hardened bilateral positions, both between Afghanistan and Pakistan, and India and Pakistan. Iranian official and semi-official mediation was particularly effective in 1976 in bringing President Daoud and Prime Minister Bhutto to the negotiating table. After Mr Bhutto's removal, the momentum gained was strong enough to sustain the détente spirit between Daoud and the military rulers in Islamabad. When the latter made some concessions to the Pathan and Baluchi political element in Pakistan, the Pakhtoonistan issue seemed once more quietly defused.

The revolutionary change in Afghanistan has upset this precarious balance. Should the new regime in Kabul revive 'Pakhtoonistan', Pakistan might—as in the past—retaliate in kind, i.e. support Afghan elements inimical to the new order. Incipient moves in this direction have been reported, but it is too early for an assessment. The Afghan leaders might have their hands full with other problems and not feel inclined to exacerbate the situation. But uncertainty exists, and in Pakistan it is being felt intensely.

Pakistan's domestic situation, as it has evolved since 1977, is at present the predominant instability factor in South Asia. No political structure is in sight which could replace the frustrating rule of martial law. The

[7] See Zubaida Mustafa, 'Asian Common Market', *Dawn* (Karachi), 1 and 2 March 1978.

[8] *Times of India*, 4 April 1978, p. 11.

economy stagnates, indebtedness abroad has reached a new record.[9] The pronounced Islamic course might come increasingly under attack from various quarters. The rifts and cleavages in the whole body politic might also affect the cohesion of the army. As it is, Pakistan faces anew the question of its national identity which had seemed much closer to a definition after the break-away of Bengal in 1971.[10]

Due to Pakistan's geo-strategic location, political tremors there are bound to be felt in the Gulf area, both on the Iranian and Arab side. But most immediately affected is the subcontinent where Indo-Pakistani relations are a pacemaker for other intra-regional developments. At the least, the lack of a stable and representative government in Islamabad slows down the process of accommodation within South Asia on which the Janata Government has set high hopes. At the worst, it might bring it to a halt or even reverse it.

In this connexion, Kashmir is unlikely to become once again a hot issue.[11] Pakistan is no longer in a position to alter the status quo by force. In addition, the sorry state of its domestic affairs has weakened the pro-Pakistan elements in Indian-held Kashmir. This state might well remain a problem for New Delhi, but in the different context of its quest for more autonomy within the Indian Union, along with moves in West Bengal, Tamil Nadu, etc.

Water resources

If Pakistan's stature and freedom to act have recently decreased, its former Eastern wing, now Bangladesh, has made some progress, within the limits constraining this problem-saddled country. Improved relations with India have clearly contributed to this, foremost the agreement on Farakka which was concluded in November 1977, with a mutual pledge to end twenty-five years of contention between India and Pakistan/Bangladesh.[12] The agreement was hailed, mainly in India, as an example that goodwill and the readiness to compromise can solve even the thorniest issues between two countries. Undeniably, India made substantial concessions to meet Bangladesh's minimum needs of Ganges water during the lean season, against strong domestic opposition, mainly from West Bengal which now receives less water than before for flushing the port of Calcutta.

[9] A. T. Chaudhri, 'Pre-Budget scene—food deficit and trade gap', *Dawn*, 19 June 1978, p. 5.

[10] How rapidly this deterioration has come about is shown by Mohammed Ayoob's assessment in 1976 that Pakistan stood a good chance to 'emerge as one of the most viable nation-states in the Asian continent'. 'India and Pakistan: prospects for détente', *Pacific Community*, October 1976, p. 151.

[11] There was only subdued official reaction in India when the Chinese Vice-Premier Keng Piao, on the occasion of opening the Karakorum highway in June 1978, once again stressed China's support for Kashmiri self-determination.

[12] See K. P. Misra, 'The Farakka accord', *The World Today*, February 1978.

But this step, although in itself remarkable, marks only the beginning of a far greater venture: the harnessing of the Ganges and its tributaries, as well as of the Brahmaputra, in order to satisfy the rapidly growing demands for irrigation and electricity in these areas. At the same time, flooding and soil erosion, both of which cause increasing damage, must be brought under control. This ought to remain an immense task for the rest of the century. Even at this stage, a host of political implications have come up. According to the Farakka agreement, India and Bangladesh are to work out schemes by 1980 to augment the Ganges flow during lean periods. It is already clear that these proposals will be as different as the underlying national guidelines: India favours solutions based on strict bilateralism, i.e. involving the two countries only, whereas Bangladesh wants to bring in Nepal, thus making it a tripartite issue. Nepal, on its part, has gone even further: in view of projects on its territory, the Karnali one in particular, Kathmandu also does not favour dealing with New Delhi alone; instead, King Birendra proposed a regional plan for the utilization of the subcontinent's water resources, including even China.

Western donor countries as well as the World Bank have shown interest in such a larger approach. President Carter, while in India in January 1978, took up the subject before Parliament: for developing the water resources of India, Bangla Desh and Nepal, 'we are prepared to give our support when the regional states request a study that will define how the international community, in co-operation with the nations of South Asia, can help . . .'[13] The British Prime Minister, Mr Callaghan, expressly endorsed this offer.

India does not like this trend towards multilateralism. While officially supporting the idea of regional co-operation (excluding China), New Delhi fears a loss in national sovereignty if the principle of bilateralism, according to which India would always be the stronger partner, had to be given up. This concern was voiced quite strongly in the Indian press. A 'Ganga Basin Project', modelled after the 1960 Indus Waters Treaty, would be 'a source of constant conflict between India on the one hand and Nepal and Bangladesh on the other'. For the latter two countries 'this project would reduce their dependence on India's goodwill for their own flood-control and irrigation resources and for transit facilities for mutual trade. As two small countries they would always rely on full support from the consortium in any difference with India.'[14]

This frank admission of India's wish to keep its smaller neighbours dependent on its goodwill is certainly not being appreciated by policy-makers in New Delhi. They want by all means to avoid the impression of a big-brother attitude and, instead, implant the idea of equality. But even

[13] *New York Times*, 3 January 1978.

[14] Subrata Banerjee, 'The Ganga Basin project—diplomatic manoeuvres', *The Economic Times* (Calcutta), 21 March 1978; see also S. K. Dutta, 'Giant river project in North-East—problem of security', *Times of India*, 18 May 1978.

the Prime Minister, Morarji Desai, cannot conceal his mental approach to these questions; while defending the Farakka agreement before the Rajya Sabha, he said 'India was the biggest country in this area and as the elder brother it was for India to help others.'[15] The younger brothers in turn are well aware of their duties.

Old problems, new methods in Sri Lanka

Another member of the family, Sri Lanka, has on the whole had less reasons to mistrust its big brother's motives. Although India looms even larger across a small stretch of water than Turkey does to Cyprus, this analogy does not really fit. Between both countries' leaders a personal rapport, based on similar political convictions, existed in the past: between Jawaharlal Nehru and Solomon Bandaranaike as well as between Mrs Gandhi and Mrs Bandaranaike; it exists today between Mr Desai and Mr Jayewardene. This does not signal all harmony but, by comparison, frictions are limited and frustrations are few.

Witness the reluctance among those members of the Tamil minority who are—under bilateral agreements of 1964 and 1974—allowed or obliged to leave the island for 'repatriation' to India. Up to the present, only one-third of the total figure of those who should have left Sri Lanka by 1981 have gone. This is by no means only the fault of the receiving country.[16] In spite of the island's economic problems and of the Tamils' persistent—and often justified—claims of being discriminated against, the shift to the 'homeland' Tamil Nadu seems to be difficult for the individual. Meanwhile, even more Indian Tamils are southbound, illegally crossing the Palk Strait. Apart from this, the Tamil problem has become a burning issue for the present Government. There were ugly riots in August 1977; New Delhi showed restraint but was obliged to warn Colombo that the lives of Indian (i.e. Indian Tamil) citizens were endangered. Since then, the Tamil United Liberation Front (TULF), presently the strongest opposition party, upheld its demand for a separate state; on its fringe, a new radical youth group, the 'Tigers', have started acts of terrorism reminiscent of April 1971.

Sri Lanka, this seemingly placid, palm-fringed island under the Equator, shows, like all South Asian countries, distinct symptoms of domestic instability; the high percentage of unemployed educated youth presents the most acute challenge to the Government's ability for swift action to ameloriate the situation. Not much economic aid can be expected from India. Most ventures envisaged for Indian participation are at a standstill. Trade, too, is balanced hopelessly against Sri Lanka. Other partners are urgently required,[17] and with the United National Party

[15] *Times of India*, 29 November 1977.
[16] *Times of India*, 17 May 1978, p. 11.
[17] '. . . there seems no way within the current resources of Sri Lanka for it to

(UNP) in power, the choice once more is the West, including the formerly much maligned World Bank, and neighbouring member countries of the Association of South-East Asian Nations (ASEAN); the latter, for a variety of reasons, have great attraction for Sri Lanka.

The visit of Singapore's Prime Minister in the spring of 1978 was thus an exciting event.[18] Mr Jayewardene's political and economic philosophy has much in common with that of Lee Kuan Yew; part of it is the belief that an attractive climate for foreign investment must be created. The necessary condition, in turn, is discipline, mainly on the labour front.[19] It is doubtful whether such a rigorous 'rightist' concept will work under Sri Lankan 'soft state' conditions, but the very fact that it is being seriously tried out is another striking example of today's potential for change in South Asia.

There is a new pragmatism as well in Colombo's long-standing pet initiative in the field of foreign policy, the Indian Ocean Peace Zone. Here, too, the cautious approach of the ASEAN states has replaced Sri Lanka's former zeal in demanding the military withdrawal of all outside powers. This issue became a touchstone for regional and international alignments in South Asia, particularly when the two super-powers in June 1977 started to negotiate a reduction of their military potentials in the area.[20] India, just as Iran, clearly favours the perspective of phased reductions as these would enhance its own power profile in the area. For the same reason, India's neighbours are wary about it. Pakistan in particular has repeatedly called for initiatives to establish a regional balance before the super-powers move out.

Non-alignment

Since early 1978, however, the atmosphere has changed considerably. Once again, a shift in the overall 'correlation of forces' has taken place.

With the waning of East–West détente tensions sharpened and the repercussions in Asia were immediate. In May 1978, after the events in Afghanistan, a prominent *Times of India* commentary pointed out that regional policies in South Asia were being seriously affected by the fact that 'the balance of power in the Afro-Asian region has changed and is likely to change further, and the overall situation is likely to be far from stable. If it is true, as it appears to be, that the Soviet Union is on the

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finance from domestic sources the employment opportunities demanded in a society characterized by a large, well educated but currently unemployed output from the education system'. James Jupp, 'Democratic Socialism in Sri Lanka', *Pacific Affairs*, Vol. 50, No. 4 (Winter 1977/78), p. 635.

[18] 'Singapore looks further afield', *Far Eastern Economic Review*, 12 May 1978, pp. 40–6.

[19] Mervyn de Silva, 'Sri Lanka: discipline for development', *Financial Times*, 16 May 1978, p. 3.

[20] These negotiations were interrupted by the United States in February 1978, under the impact of the USSR's 'forward policy' in the African Horn.

offensive and has the capacity to sustain it, India is bound to find itself under great pressure from both Moscow and Washington to side with it.'[21] Meanwhile, events in South-West Asia (South Yemen) as well as in South-East Asia (Vietnam) have confirmed this trend: the Soviet Union has been able to consolidate its influence, vis-à-vis both the West and China. In this changed atmosphere it would hardly be pertinent for littoral states of the Indian Ocean to promote the Peace Zone plan and to urge the United States to vacate Diego Garcia. Growing competition and antagonism between the super-powers results in their primarily holding on to military positions.

Such a hardening of bloc mentality should theoretically further the aims of the non-aligned movement which had indeed lost some of its raison d'être on account of the seeming progress of détente. Events in Africa, however, have proved that bilateral feuds between members of the group immediately develop into new fronts of the East–West contest. Thus, at the Foreign Ministers' meeting in late July in Belgrade it was extremely difficult to keep up a semblance of unity.[22] India and Sri Lanka, in line with the host country Yugoslavia, substantially contributed towards finding compromise formulas to patch up the torn pieces of non-aligned solidarity. Not surprisingly, one method was to rally the assembly behind collective demands for which consensus was easy to achieve, e.g. on issues such as southern Africa and the New Economic Order. Another was to show Cuba that its open attempts at aligning the movement with the Moscow camp were counter-productive, if Havana was to be confirmed as the venue of the 1979 summit. These tactics succeeded, and the movement has even gained in attraction for outsiders.

Pakistan is a case in point. Deeply disillusioned by the inadequacy of its Western connexion, i.e. membership of the Central Treaty Organization (Cento), and additionally irritated by strong American pressure to abandon its nuclear reprocessing plant scheme, the military regime saw no choice but to take up Mr Bhutto's policy of demonstrating that Pakistan was not without options. Its seeming readiness to leave Cento to join the non-aligned, and thereby to placate a potentially hostile Soviet Union, was a long-prepared move. In July 1978 Pakistan managed, with India's assistance, to achieve guest status at the Belgrade conference.

But its revolutionary neighbour Afghanistan nearly spoiled this opening gambit by objecting to Pakistan's appearance and by stressing its serious 'political difference' with it, namely the 'national destiny of the Pakhtoon and Baluch peoples'.[23] This old bone of contention apart, Afghanistan gave proof of its new stance by fully backing Cuba, along with a handful of People's Democracies such as Ethiopia and South

[21] Girilal Jain, 'Neighbours in turmoil', *Times of India*, 24 May 1978, p. 6.
[22] See K. F. Cviic, 'Non-alignment's dilemmas', *The World Today*, September 1978.
[23] *Dawn*, 30 July 1978, p. 1.

Yemen, and thereby supporting the concept of the 'natural alliance between the non-aligned and the socialist camps', Moscow's long-cherished objective.

India, while currently trying hard to prevent an open split in the movement, has an old reputation for making optimal national use of non-aligned phraseology. After Janata's take-over, the Soviet Union had to put up with the subtle qualification of India's future 'genuine non-alignment' which mainly implied a better use of options to improve relations with both the United States and China. But Moscow retains its privileged, if slightly weakened, position, due to the imperatives of India's national interests, foremost in the area of national security: as long as the United States, in order to balance the other super-power, attaches priority to its ties with China, and as long as no tension-free coexistence between China and India can be expected, protection by and close co-operation with the Soviet Union is indispensable. Thus, the Indo–Soviet Treaty of 1971 remains valid.[24]

India – a 'new influential'

Still, New Delhi makes liberal use of its other options, aided by the fact that both the United States and China have found it worthwhile to be on reasonable bilateral terms with India. As stated in the beginning, the rapprochement with Peking was negotiated under Mrs Gandhi but meanwhile the Chinese have shown a willingness for more accommodation than could have been expected in 1976. Similarly, the United States has taken some significant steps to meet Indian expectations; this also points to more than a superficial interest in creating a working relationship, freed from past encumbrances. This readiness in both Peking and Washington for turning a new page is partly connected with India's cautiously modified foreign policy since 1977 and partly a function of changed constellations elsewhere.

China has recently made a distinct effort to counter Soviet advances in Asia by an active policy of its own: South Asia received its fair share of ambulant diplomacy, witnessing a quick succession of high-ranking Chinese delegations. Within a few months during the first half of 1978, Mr Teng Hsiao-ping went from Burma to Nepal; an economic delegation visited India, followed by a two-week's stay there of Mr Wang Pin-nan, a highly placed foreign-policy functionary; Vice-Premier Li Hsien-nien went to Bangladesh, and his colleague in rank, Keng Piao, to Pakistan and to Sri Lanka. In October 1978, the Indian Foreign Minister is expected in Peking.[25]

[24] See R. V. R. Chandrasekhara Rao, 'The Janata Government and the Soviet connexion', *The World Today*, February 1978.

[25] *Peking Review* (No. 23, 13 June 1978) reported Wang Pin-nan's visit to India under the slogan of the 1950s: 'Hindi Chini Bhai Bhai!' (Hindi for 'Indians and Chinese are brothers!').

This pattern indicates that China has abandoned its former policy of by-passing India and just courting its neighbours. After a long period of estrangement, China is seriously viewing India as an independent actor in Asia, no longer simply a 'stooge' of Moscow. However, India is being mistrusted as far as its intentions towards its smaller neighbours, still supported by China, are concerned. There is scope for future friction with New Delhi to which the excellent state of Indo-Vietnamese relations might contribute. Concerning the thorny border issue, the Indian side has until now shown a readiness to negotiate but not to compromise. Mr Desai, in his typical fashion, remarked: 'Why should I make a concession? They should do it. They are a bigger nation. We are the aggrieved party.'[26] 'Concession' would mean, more or less, acceptance of the Chou En-lai formula of 1960—scornfully rejected by Mr Nehru—of swapping NEFA (the former North-East Frontier Agency, nowadays the Union Territory of Arunachal Pradesh) against Aksai Chin in Ladakh, i.e. to sanction the territorial status quo.[27] Today, it is a matter for speculation whether Mrs Gandhi, at the height of her power, might have been prepared and able to sign such an accord. But at that time, the Chinese were not ready even to talk to the Indian Government; the present one is less dependent on the Russians but the nationalist element has been strengthened by the sizeable Jan Sangh component in it. So the going will be difficult for the two giants in Asia whose very basic rivalry sets distinct limits to any normalization. Never in history do they seem to have been successful in understanding and appreciating each other's driving motives and value systems.

Any summing up of Indo-American relations which, by comparison, cover only a very brief span would, mutatis mutandis, arrive at a very similar judgement: the two 'greatest democracies' will always be separated by mutual misperceptions which have marred their relations during the past thirty years. Although the Janata Government seems to be resolved to open a new chapter, it is safe to assume that with super-power competition continuing unabated, 'the scope for Indo-US co-operation in the larger sense of the term is bound to be fairly limited.'[28] At the same time, India can use this situation to its advantage, as both the United States and the Soviet Union have a stake in a fairly strong and stable India.

This last aspect led President Carter to include India in his first round of travels to what Mr Brzezinski has termed 'the new influentials'—Third World countries with a potential for both regional leadership and for active and responsible participation in processes of a global character. India with its human and natural resources, its influence in international

[26] *Times of India*, 17 June 1978, p. 6.

[27] There have been rumours, as yet unsubstantiated, that India might try to get access to sacred (Hindu) mountain places on Chinese territory.

[28] *Times of India*, 16 June 1978, p. 6.

bodies, its leading position in the non-aligned movement and its role in the nuclear proliferation issue today belongs, in spite of its handicaps of latent mass poverty and menacing population growth, to the relatively small number of countries that have weight in the international system by actively contributing to its evolution.

ANZUS: a strategic role in the Indian Ocean?

WILLIAM T. TOW

The past failure of the United States to consult Australia and New Zealand before entering into arms control negotiations with the Soviet Union regarding the Indian Ocean faces ANZUS regional defence planning with its gravest problem.

FOR over a decade, Western interest and speculation have been raised by Soviet military and political incursions into the Indian Ocean region. Official as well as academic studies have questioned the ultimate impact that increased Russian naval capabilities and overall political interest would have on the Third World nations, particularly those along the Indian Ocean's littoral trade routes critical to global maritime commerce.[1] Major efforts have been directed towards identifying possible areas of Soviet-Western accommodation in the region through the alleviation of a potential Indian Ocean 'arms race', the creation of a UN-sanctioned Indian Ocean 'nuclear free zone', or through the consummation of a Soviet-American 'demilitarization' treaty for the region.

However, while attention has been focused on what the Soviet Union might be planning and carrying out, few, if any, inquiries in depth have been conducted to identify possible Western policy responses for deterring an accelerated future Soviet military threat in the Indian Ocean region if no permanent formula can be found to achieve a modus vivendi.[2] One such possible policy response shall be briefly considered here: Australia, as a major Indian Ocean riparian state, as well as New Zealand

[1] For recent examples, see Alvin Cottrell and R. M. Burrell (eds.), *The Indian Ocean: Its Political, Economic, and Military Importance* (New York: Praeger Publishers, 1972); Norman Polmar, *Soviet Naval Power: Challenge for the 1970's* (New York: National Strategy Information Center, 1972); Monoranjan Bezboruah, *U.S. Strategy in the Indian Ocean: The International Response* (New York: Praeger, 1977); and Ferenc A. Vali, *Politics of the Indian Ocean Region* (New York: The Free Press, 1976). See also Report to the Committee on International Relations, House of Representatives, *The Soviet Union and the Third World. A Watershed in Great Power Policy?* (Washington: USGPO, 8 May 1977).

[2] A recent exception is Rear-Admiral Robert J. Hanks (Ret.), 'The Indian Ocean negotiations: rocks and shoals', *Strategic Review*, VI, No. 1 (Winter, 1978) pp. 18–27. See also Malcolm Ross, 'The Soviet Navy and its presence in the Indian Ocean', *New Zealand International Review*, I, No. 1 (January–February 1976), pp. 8–11.

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and the United States, as Canberra's principal defence partners, might well consider making use of the ANZUS alliance to meet Indian Ocean security threats. After offering a short review of the difficulties which have precluded the application of the tripartite ANZUS Security Treaty to Indian Ocean defence, this article examines the feasibility of using ANZUS to meet future defence contingencies in the region.

Search for co-ordinated policy

Soon after their December 1975 election victories, the Australian and New Zealand Conservative Parties re-emphasized their countries' American defence connexion as the most important component in any Antipodean efforts to resist Soviet penetration into the Indian Ocean.[3] In early March 1976, the Australian Prime Minister, Malcolm Fraser, and his New Zealand counterpart, Robert Muldoon, conferred at Rotorua, and at a subsequent press conference, they appealed for Washington to 'maintain an effective global presence' by preserving a military balance in the Indian Ocean vis-à-vis the Soviet Union. The two leaders assured the United States that Australia and New Zealand would fully support a projected limited yet effective build-up of military power in the region and that any Western military strategy applied there should keep to the framework of ANZUS co-operation. Almost simultaneously, in Parliamentary discussions, Australia's Foreign Minister, Andrew Peacock, designated the proposed US construction of a naval installation on the British Indian Ocean Territories island of Diego Garcia as one measure to achieve an Indian Ocean balance of power.[4]

However, later discussions between American leaders and their ANZUS counterparts were marked only by a qualified consensus of what would be acceptable levels of US strength introduced into the Indian Ocean region. When Mr Fraser conferred with President Ford in July 1976, a subsequent communiqué noted that while the United States and Australia agreed on the importance of Diego Garcia's continued construction, '. . . both leaders expressed the hope that all parties concerned would exercise constraint in this key area [the Indian Ocean] . . .'[5]

During the first few months of the Carter Administration (March 1977), the United States unilaterally initiated naval arms limitation talks (NALT) on the Indian Ocean with the Soviet Union.[6] Accordingly, both

[3] For a dissenting Australian Labor Party view, see W. G. Hayden, 'The Soviet naval presence in the Indian Ocean: implications for Australian defence policies', *Australian Outlook*, XXXI, No. 1 (April 1977), pp. 193–202.

[4] Australia, House of Representatives, *Parliamentary Debates* (*Hansard*), 18 February 1976, at 33–4.

[5] *Wellington Evening Telegram*, 30 July 1976.

[6] See Hanks, *loc. cit.* and 'America's Indian Ocean Failure', *Intelligence Digest* (Weekly Review), 15 March 1978. For additional background on the current status of Soviet-American NALT negotiations, see Richard Burt in *International Herald Tribune*, 27 September 1977, and Moham Ram in *Christian Science Monitor*, 24 January 1978.

the 1977 and 1978 ANZUS Council meetings issued communiqués reflecting public concurrence among the alliance members that US-Soviet military escalation in the Indian Ocean should be avoided and that regional arms limitation agreements must be balanced and consistent with the security interests of ANZUS.

It is evident, as one observer has noted, that '... uncertainties inherent in the [ANZUS] alliance relationship should not be ignored...'[7] In the case of the Indian Ocean security problem, Washington has tended to project Canberra and Wellington's political and defence positions as mirror images of the United States' own political objectives in the Asian-Pacific region, thereby dimming Australia's and New Zealand's prospects for exercising a meaningful influence on American Indian Ocean policy. For example, prior to the release, in April 1977, of a Presidential Review Memorandum (PRM) which optimistically assessed prospects for a US-Soviet demilitarization settlement for the Indian Ocean, the United States had seemed more receptive to Australian-New Zealand pleas for co-ordinating a joint defence patrol for the region. To be conducted from the Australian-controlled Cocos Islands, Diego Garcia and, possibly, Singapore, American and Australian air reconnaissance of Soviet submarines and surface vessels in the area might have been in the planning stages—such monitoring was deemed to be critical in assuring Soviet compliance with any NALT agreement that may eventually have been reached. Yet after the PRM release, US officials issued well-publicized denials that Singapore or Diego Garcia would be bases for P-3 'Orion' planes commonly used in anti-submarine warfare (ASW) surveillance missions.[8]

Underlying differences between the United States and its ANZUS allies over the intensity of the Indian Ocean security problem surfaced also at a news conference following the June 1977 ANZUS Council meeting. The US Deputy Secretary of State, Warren C. Christopher, and the Australian Foreign Affairs Minister, Andrew Peacock, presented strikingly different assessments of the Soviet presence in the region. Mr Christopher noted that 'occasional trips' into the Indian Ocean by elements of the Soviet Pacific fleet were under 'review and concern' but that the Carter Administration's policy was to establish present Soviet and American force levels there as a basis for future US-USSR demilitarization talks.[9] By contrast, Mr Peacock stressed that one super-power (the USSR) has been 'far outstripping the other [the US]' in maintaining an

[7] Ross Babbage, 'Australia's strategic orientation—some important implications', in Robert O'Neill (ed.), *The Defence of Australia—Fundamental New Aspects* (Canberra: Australian National University Press, 1977), p. 10.

[8] See Michael Richardson in *Far Eastern Economic Review*, C, No. 20, (19 May 1978), p. 10, and in *The Age*, 13 May 1978.

[9] Dai Hayward, 'Pacific isle threat could "concern" US', *The Australian* 29 July 1977, and Stephen Nisbet, 'Stop ocean arms race: ANZUS', *The Age*, 29 July 1977.

Indian Ocean naval presence.[10] New Zealand's Foreign Minister, Brian Talboys, was also reported as being 'noticeably reticent' about endorsing Indian Ocean arms talks with the Russians. Little evidence of any long-range, co-ordinated ANZUS Indian Ocean policy seemed to be emerging from either the 1977 or June 1978 Council meetings.[11]

Further uncertainty on how ANZUS could be applied to Indian Ocean security was manifested during Vice-President Walter Mondale's May 1978 visit to Canberra and Wellington. Mondale's announcement of a proposed American-Australian-New Zealand Indian Ocean naval exercise was balanced by his refusal to recognize a clear increase of Soviet naval power in the region. While the Australian Defence Minister, Mr Killen, released data showing that Soviet naval activities had grown more than 30 per cent over the first three months of 1977, Mondale would acknowledge only that the Soviet Union had recently increased its naval forces to a level 'higher than we've seen for some time'; however, the Vice-President contended, the Russians had later reduced this level.[12] Of more concern to Mondale's hosts was that the United States was promoting the joint naval exercise because of reasons only remotely linked to immediate Australian/New Zealand security concerns. US officials accompanying the Vice-President insisted on emphasizing that the exercise was a response to Soviet advisers and Cuban troops in Africa, to the successful Marxist takeover of Afghanistan in April and to the stalled strategic arms limitation talks rather than a local demonstration of ANZUS military resolve to defend Australian waters.

After Mr Mondale's departure, Mr Killen, in Parliament, seemed to reflect Australian disillusionment over the United States' tendency to project predominantly American rather than Australian security interests into ANZUS decision-making. The Australian Defence Minister implied that, in spite of Mondale's dramatization of the event, there was 'absolutely nothing exceptional about the proposed naval exercise in the Indian Ocean', and that, in fact, such a combined exercise had occurred there in 1977.[13] Other observers noted that the Vice-President's visit reflected a noticeable deterioration in Australian-American relations. Mr Mondale refused to consider US concessions on Australian exports to the United States of beef or zinc, and he turned down Mr Fraser's proposal for an international commodity bank to regulate world produce and mineral prices.[14]

Even well before the Mondale visit, Mr Killen had reflected that his

[10] Nisbet, *loc. cit.*
[11] For 1978, see 'Australia, New Zealand, US end alliance parley', *Stars and Stripes* (US Armed Forces Daily—European Edition), 10 June 1978, p. 7.
[12] *Los Angeles Times*, 9 May 1978, and *The Age*, 9 May 1978.
[13] Michelle Grattan, 'PM, Killen differ on importance of navy exercise', *The Age*, 10 May 1978.
[14] *ibid.*; see also *The Economist*, 13 May 1978, p. 49.

Conservative Government's re-evaluation of US defence policies under the Carter Administration and their effect on the usefulness of ANZUS to Australia may be in order. By mid-1977, the Defence Minister was contending that Australia would have to become more strategically self-reliant because an Australian crisis might be perceived by the United States as a 'low-level regional threat' which could preclude Canberra from invoking the ANZUS agreement. US defence resources, he contended, could be heavily involved elsewhere, and Australia would 'have to fend for itself'.[15] Australian journalists and others covering the Mondale visit widely concluded that American consent to conduct a naval exercise with Australia in the Indian Ocean was the least that Washington's ANZUS allies might have expected considering the continued Soviet presence. What was lacking was an American commitment to institutionalize defence consultations with Australia and New Zealand before the United States reached any agreement with the Soviet Union on Indian Ocean demilitarization that could substantially affect the Antipodes' own strategic interests and capabilities.

ANZUS and the Indian Ocean

While the ANZUS partners implicitly seem to recognize that the geographical scope of the alliance extends to the Indian Ocean, a well understood demarcation of what specific areas are to be incorporated within its coverage could assist in reversing current Australian and New Zealand uncertainties about the types of threat Canberra and Wellington must face to 'qualify' for outright US military support.[16] A revision of the ANZUS treaty's currently vague language concerning the signatories' intervention commitments might project more clearly those Indian Ocean threat contingencies where joint US-Australian/New Zealand defence efforts should be applied.[17]

In this context, several problems of ANZUS defence co-ordination directed towards the Indian Ocean region are perceptible.

In 1976, Australia decided to extend the OMEGA long-range navigation system first deployed at North West Cape in Western Australia in 1963. The North West Cape and other Australian military installations have been cited by Western defence analysts as probable Soviet attack

[15] Nisbet, 'Carter tide sweeps through the Pacific alliance', *The Age*, 30 July 1977.

[16] During the 1960s, several Australian Foreign Ministers gave reassurances of ANZUS's applicability to the Indian Ocean area and to Australia's west coast. See T. B. Millar, *Australia's Defence* (Carlton, Victoria, Australia: Melbourne University Press, 1965), p. 49.

[17] Article III of the Treaty stipulates that the United States, Australia and New Zealand shall merely 'consult together' whenever one party's 'security is threatened in the Pacific'. The ANZUS treaty designates no specific geographic area applicable to its concerns. For a legal analysis, see Joseph G. Starke, *The ANZUS Treaty Alliance* (Carlton, Victoria, Australia: Melbourne University Press, 1965).

targets because these sites are capable of providing anti-submarine warfare (ASW) data and targeting information to US nuclear submarines deployed in the Indian Ocean.[18] Until greater evidence of progress towards establishing an Indian Ocean 'nuclear free-zone' becomes evident, ANZUS defence planning needs to be increasingly directed towards protecting Western Australia. Likely targets in any future Asian theatre nuclear or large-scale conventional conflict are the area's strategically located mineral resources, ports and military installations. With over 9,000 miles of Australia's 12,000-mile coastline extending along the Indian Ocean, defence preparation time needed by Canberra to deter or repel attacks against remote military or population centres in Western Australia would be prohibitive without prior co-ordination with its ANZUS partners. Clear identification of US and New Zealand force missions designed to meet such contingencies and to preserve a Western military balance should be an immediate objective of ANZUS defence planners.

Little systematic study seems to have been conducted by US defence analysts on what levels of spending and what types of weapons procurement are needed (not merely desired) to transform credibly ANZUS Indian Ocean security interests into a regional security doctrine.[19] At present, Australia can contribute to an Indian Ocean task force: 1 aircraft carrier with approximately 14 attack aircraft and 10 helicopters; 3 ASW craft; 12 attack patrol boats with 'Ikara' missiles; and 8 destroyers. New Zealand could deploy 4 frigates.[20] By itself, this composition could not present a credible challenge to Soviet deployments in the region. An upgraded US role is the critical factor in any deterrence that the West may wish to exercise in the Indian Ocean. Ultimately, integrated weapons' procurement such as that currently adopted by Nato may be the most cost-effective approach in enlarging ANZUS regional defences; however, because both countries' leaderships have preferred to retain autonomous national defence forces up to the present time, specific measures for integrating the force deployments and weapons production

[18] For background and a dissenting view on OMEGA's applicability to the strategic balance, see Nicholas Turner, 'OMEGA: a documented analysis', *Australian Outlook*, XXVI, No. 3 (December 1972), pp. 291–305.

[19] Some exceptions are Scott Thompson in *New Zealand International Review*, II, No. 6 (November–December 1977), pp. 14–15; Malcolm Ross, *ibid.*, No. 2 (March–April 1977), pp. 4–9; Desmond J. Ball in O'Neill, *op. cit.*; and Craig J. Spence, *Defense and Foreign Affairs Digest*,, October 1977, pp. 20–8. On the official level, Defence Ministers Killen of Australia and McCready of New Zealand met in Canberra on 28 April 1977 to explore areas where their countries could develop closer co-ordination in defence doctrine and rationalization: i.e. maritime surveillance, concepts of operations, defence research and development, and logistic support arrangements. *Australian Foreign Affairs Record*, XCVIII, No. 5 (May 1977), pp. 270–1.

[20] International Institute for Strategic Studies, *The Military Balance 1977–1978* London: IISS, 1977), pp. 56, 62.

of Australia and New Zealand have been postponed or given lower priority.[21]

It remains to be seen if Australia and/or New Zealand can effectively carry out their newly proclaimed 'forward or neighbourhood defence' policies during the post-Vietnam era unless the United States contributes greater levels of defence expertise and assistance to the Australian/New Zealand force structures.[22] Specifically, US support may be required to allow New Zealand to patrol its 200-mile economic zone in the South-west Pacific against increased Soviet fishing fleet incursions or to assist the Australian Royal Navy in monitoring Soviet naval incursions into the Tasman Sea as an outgrowth of Soviet naval power in both the Indian and Pacific Oceans.[23]

Perhaps the most critical problem facing ANZUS defence planning is the past failure of the United States to consult Australia and New Zealand before entering into Indian Ocean arms control negotiations with the power now most likely to contest ANZUS in any regional conflict—the Soviet Union. On 9 March 1977, without prior consultation with the Australian or New Zealand Governments, President Carter announced proposals for Indian Ocean disarmament. Canberra's reaction was particularly cool; one Australian observer characterized American policy as implying that '. . . Australia could expect to be consulted on changing American policy in the Indian Ocean only when it has been publicly announced and then only on matters of detail, not principle.'[24] While Mr Fraser partially rectified the Carter Administration's diplomatic oversight during his visit to Washington in June 1977, he was compelled to remind the President of his words about '. . . the need for democracies to consult [with one another]. . .'[25]

Continuing consultation among ANZUS members on Indian Ocean security must be made operational outside the framework of Soviet-American bilateral NALT negotiations while still ensuring that such

[21] See, in particular, interviews of New Zealand's Defence Minister, A. McCready and the Opposition spokesman for Defence, Roger Drayton, in 'New Zealand defence policy: two views', *New Zealand International Review*, II, No. 5 (September–October 1977), pp. 10–11, and E. J. Tapp, 'Australian–New Zealand Relations', *ibid.*, pp. 31–2.

[22] The Australian 'forward defence' concept is outlined in the November 1976 White Paper, *Australian Defence* (Canberra: The Acting Government Printer, 1977).

[23] Derek Round, 'Tasman sighting', *New Zealand Herald*, 22 April 1976. See also Matthew J. Seiden, 'Soviets wooing New Zealand', *Baltimore Sun*, 26 October 1977, in which New Zealand is reported to be ready to grant the Soviet fishing fleet rights within its 200-mile economic zone. For further background, see John Henderson, 'New Zealand in a changing world: the Talboys speeches', *New Zealand International Review*, III, No. 1 (January–February 1978), p. 10, where New Zealand's Foreign Minister acknowledges the possibility of significantly increased Soviet-New Zealand trade relations.

[24] Creighton Burns, 'Carter may unplug our playpool again', *The Age*, 14 March 1977.

[25] *Australian Foreign Affairs Record*, XLVIII, No. 7 (July 1977), p. 360.

negotiations will not compromise long-term ANZUS defence interests. Regular sessions among mid-level US, Australian, and New Zealand representatives could be held to consolidate ANZUS alliance views on Indian Ocean security. Such views could be readily assimilated and weighed by the President, the State Department, the Arms Control and Disarmament Agency, and other official American sectors charged with formulating US negotiating positions for NALT. Institutionalized mechanisms could be created by the United States to ensure that all relevant American positions concerning NALT or other Indian Ocean security issues are clearly understood and endorsed by Washington's ANZUS allies before an agreement is reached on Indian Ocean demilitarization with the Soviet Union.

There has been little if any open effort by either the United States Congress or by the Carter Administration to upgrade ANZUS in regard to security in the Indian Ocean. A clear and unified Western response to the Soviet Union's continued application of strategic power in that region seems long overdue. If the United States chooses to remain unresponsive to alternative deterrence options as Indian Ocean disarmament negotiations continue to make little progress, the long-term security of each ANZUS nation could be jeopardized.

Rhetoric and reality in Dutch foreign policy

JEROME L. HELDRING

The European and Atlantic priorities in Dutch foreign policy continue to reflect Holland's post-war perception of its security and economic interests, but a new more neutralist climate is making itself felt.

UNTIL fairly recently foreign policy was not a controversial matter in Dutch politics. One reason is that, the country having been neutral for more than a century before 1940, the public's interest in foreign policy was even smaller in the Netherlands than in most European countries. It is true that during the early post-war years one foreign-policy issue did concentrate the minds of a great many people: the issue of the country's relationship towards its former colony Indonesia; but since most people, including the Government, considered this to be a matter of no concern to the outside world, the 'Indonesian question' was treated as a purely domestic issue. Had it been otherwise, the transfer of sovereignty to, and the ensuing relationship with, independent Indonesia might have been handled more expeditiously and elegantly.

Apart from this colonial heritage, international affairs remained a matter of little interest to the greater public and therefore an area in which the Government, and especially the Ministry of Foreign Affairs, could operate without having to fear too much intervention on the part of public opinion or Parliament. The only exception was European integration. This ideal was able to mobilize the enthusiasm of a great many people who acted as a pressure group which no government could afford to ignore. In the Netherlands, the European fervour had a specific inspiration: it was motivated less by the wish to see an end to internecine European wars (in which the Dutch, until 1940, had not participated anyway for more than a century) than by the belief that with European integration the rule of international law would prevail in at least one part of the world. During that century of abstention from international power politics, the Dutch had accustomed themselves to see international law as a kind of substitute for foreign policy, and now at last, as they saw it, in a federated Europe decisions would no longer be taken as a result of a

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tug of war between stronger and weaker nations, but on the merits of each case.

It is true that the post-war governments took a less sanguine view of European integration. While welcoming the creation of a larger market governed by businesslike, non-nationalist principles, they were in general wary of any political, let alone military, consequences of the European unity idea. It was feared that if that unity would remain limited to six continental countries, Europe might drift away from its American protector. Here, two old Dutch schools of thought reasserted themselves: the idea that the Netherlands, being a maritime country, should not be bottled up with countries having a more continental background; and the idea that it was in the Netherlands' interest to have a certain balance kept between its neighbours, and that, for that reason, the Community should take Britain in.

During the period of European hope and euphoria—roughly, between 1950 and 1965—there was a certain friction between Parliament and Government, the former being more impatient, the latter more cautious in venturing on the road of supranationalism. But this divergence was one within a general consensus about the desirability of greater European unity. It hardly ever jeopardized the freedom of movement of the Government, which mostly took care to appease the 'Europeans' by verbal declarations of loyalty to the European ideal. After General de Gaulle's takeover in France, it became even more difficult for the 'Europeans' to protest credibly against the Government's pragmatic policies, since the general was a declared foe of any supranationalism. The resistance of the Foreign Minister, Joseph Luns, against the French plans for a European Political Union had, therefore, the support of the Dutch 'Europeans', although they were never sure whether that resistance was motivated by orthodox Europeanism (it was *not*).

Even greater consensus prevailed in military matters. The country's pre-war neutrality never acted as an obstacle when, in 1949, the Netherlands was offered the choice of entering the North Atlantic Alliance, even though it was, at that moment, involved in a conflict with the United States concerning Indonesia. For many years after, the Dutch were enthusiastic adherents of Nato and, in general, faithful followers of the American line. As early as 1950, five years after the German occupation, the idea of German rearmament was accepted by the great majority of the nation as a logical necessity, and this kind of rather brusque consistency in accepting the consequences of a given policy was, for many years to come, to characterize Dutch policy in East–West matters and, consequently, in Nato. John Foster Dulles could find no stauncher fellow-travellers in his anti-Communist crusade. For the Dutch, foreign-policy issues are often more moral than political questions. This had been the case before the Second World War, when the

country's neutrality was extolled as a virtue to be followed by other nations (as late as November 1939, when war had already broken out but the Netherlands had not yet been attacked by Nazi-Germany, the then Prime Minister called neutrality a 'beacon in a dark world'). Moralism certainly was the driving force behind the distrust which every Communist initiative—be it the Rapacki Plan or even Tito's policies—met with in the Netherlands after the war, not least in the Dutch Labour Party. Even the enthusiasm for European integration had its moralistic overtones in that doubters were often treated as sinners.

With Britain's entry into the European Community, the main aim of Dutch foreign policy during the 1960s had been achieved. Within Europe, the balance seemed to be restored. As to Europe's external position, it was inconceivable to the Dutch that Britain would ever allow Europe to follow an anti-American or neutralist course. (During the oil crisis of 1973, this calculation turned out to have been wrong.) If there had ever been a discrepancy between Holland's Atlantic and European ties, it now seemed to have been satisfactorily resolved.

Impact of domestic developments

That this consummation of Dutch wishes did not generate greater enthusiasm than it did at the time is partly due to the fact that meanwhile, around the middle 1960s, something had taken place in the country which, without too much exaggeration, could be called a social revolution. It was the same revolution as had occurred in so many countries of the Western world, but perhaps its consequences were more far-reaching in the Netherlands than elsewhere because of the great social and political stability that had prevailed heretofore. The most spectacular change was, of course, the mutation of the Dutch Catholic Church, within a span of ten years, from ultramontanist loyalty to Rome and strict internal discipline to rebellion and liberalism (if not libertinism). But this was just one symptom of the disintegration of the discipline that had been characteristic of Dutch society and politics. No longer were the dicta of the party élites accepted unconditionally by a faithful rank and file. The premises on which their policies had been built were increasingly questioned. The result was that the three main Christian-Democratic parties (one Catholic, two Protestant) which from time immemorial had formed the immovable centre of Dutch politics, saw the combined percentage of their votes fall from 49·3 to 31·3 between 1963 and 1972. (The Catholic Party alone fell from 32 to 17·7 per cent.) In Dutch politics, this amounted to a landslide. Nor did the Labour Party remain immune to this development. It is true that its vote was the same in 1972 as it had been in 1963, but meanwhile the old party establishment, which had been largely responsible for the country's post-war policies, had been practically driven out of power by the New Left.

These domestic developments could not fail to have their effect on foreign policy as well. Here, too, the premises that had been accepted by the post-war élites and rank-and-file were challenged. The Atlantic Alliance came more and more under fire, partly as a reaction to the Vietnam war. As to European integration, it also lost its attraction for the younger generation. That is not to say that moralism or idealism had lost their force as factors in Dutch politics. If anything, they had become stronger than ever before. But they no longer projected themselves on anti-Communist crusades or European supranationalism, but rather on world-wide, in any case distant, causes such as Vietnam, Southern Africa, Chile etc., on which Dutch influence could hardly make itself felt in a very forceful way.

While previously foreign policy had been largely the domain of an élite which had succeeded in having its pragmatism accepted, it now became the hunting ground of many more people than had ever bothered about foreign policy at all. This quantitative increase in interest in foreign policy was no doubt partly due to both the decrease of other pressures during the 1960s—such as the search for employment and housing—and the all-pervasiveness of the mass media which had, so to say, brought foreign affairs—or, at least, their results—into the living room.

But this increase in interest in foreign policy also entailed a qualitative change in that, as a result of the invasion of the field of foreign policy by different strata of society than had thus far monopolized it, Dutch foreign policy came even more under the pressure of moralistic and ideological influences than had been the case before. To be sure, the great mass of the Dutch people was no longer under the control of Calvinist or other preachers, but their teachings, during more than three centuries, had had the effect that large layers of the population remained inclined, even when entirely secularized, to see Holland's task in the world in moral terms. Nor was the old notion absent that the Netherlands should take the lead: in 1972, several leading politicians who, one year later, were to become members of the Den Uyl Government (including the Labour leader, Mr Den Uyl, himself), subscribed to the idea that the Netherlands should assume the role of a 'pilot country'.

It was not the left-of-centre Cabinet headed by Mr Den Uyl that was the first to feel the pressure of these changes in attitude towards foreign policy. Long before it came into power in 1973, its more conservative predecessors had already been subjected to heavy criticism on account of their foreign policy, in particular because of their alleged docility towards the United States. The ground, therefore, had already been prepared when, in May 1973, the Labour Party came to power again, for the first time since 1966. The difference, however, was that it entered the Government with the express intent to change foreign policy as well as the country's social and economic policies. The programme on which it

had fought, and won, the 1972 elections committed it to this change. One of the things demanded in this programme was that the Government should consider leaving Nato if the alliance did not try to achieve security and détente in Europe. The Government should also make an effort to denuclearize Dutch territory, and ultimately the whole of Europe. Expenditures on defence should eventually be lowered to 3 per cent of the national income (1972: 3·3 per cent), while in the matter of European integration the efforts for greater unity should be subordinated to the realization of a 'progressive' policy.

A new policy?

For the time being, however, the change in foreign policy appeared to remain largely verbal in nature. This impression was confirmed by the maiden speech which the new Foreign Minister, Mr Van der Stoel, delivered on 26 September 1973 before the General Assembly of the United Nations. He started by saying that his Government would pursue an 'active peace policy' because 'a new generation, which lived for years with the Vietnam conflict..., gives the highest priority to the strengthening of peace.' Anyone looking for a concrete elaboration of this 'active peace policy' in the remainder of his speech found that it did not differ materially from the foreign policy of the preceding governments: its cornerstones again turned out to be Atlantic co-operation, the quest for European security and détente, European economic and political integration, and development co-operation. These symptoms of continuity in Dutch foreign policy were due not only to the presence in the Den Uyl Cabinet of six Christian-Democratic ministers, who would not have tolerated any experiments with the country's Nato membership, but also to the realism of Mr Den Uyl and Mr Van der Stoel, who were survivors of the revolution of the 1960s in the Labour Party and had held office in earlier governments.

But within these Atlantic and European perimeters, which were dictated by the country's security and economic interests, the Den Uyl Government tried to secure as much leeway as possible in order to satisfy its more radical and missionary supporters, whose special *bête noire* Mr Van der Stoel was. This led to several inconsistencies such as when, during the oil boycott which the Arabs had imposed on the Netherlands, Mr Van der Stoel strongly endorsed the American policy while Mr Pronk, the Minister for Development Aid, at the same time approved the 'manipulation with the supply of raw materials' by developing countries; or when the Government made détente one of its main aims but, at the same time, irked the Soviet bloc by its championship of human rights and the 'third basket' at the Conference on Security and Co-operation in Europe in Helsinki and Geneva; or, again, when the policy of 'pushing back the role of tactical nuclear weapons in Europe' to which the Govern-

ment had committed itself would have the practical result that the country would become even more dependent on the American strategic deterrent, and therefore on the United States, than would be to the liking of some of its more radical members.

In Nato and EEC, the Dutch seemed less co-operative than they had been, but apart from Mr Pronk, who loudly claimed that he was pursuing a policy 'as independent as possible', this may have been more a matter of appearance than substance. However, the shrill motions of dissidence that the Labour Party Congress accepted from time to time certainly did not help to create an image of the Netherlands as a very steadfast ally and partner. The Labour Party also succeeded, by its repeated criticism of German domestic affairs, to thoroughly spoil its relations with the ruling German SPD, with inevitable results for intergovernmental relations. It is debatable whether the impression created by these antics was compensated by the applause which the Government received from the non-committed countries for its defence of practically any Third-World cause and for the generous aid given to these countries (which amounted to 0·8 per cent of GNP).

Whatever may have been the impact of the Den Uyl Government's foreign policy on the outside world, it certainly caused it no damage domestically, since in the general elections of May 1977 the Labour Party won a victory of unprecedented scale.[1] Nevertheless it bungled the job of forming a government and, after seven months of negotiations, did not return to power. In December 1977, a coalition of the three Christian-Democratic parties, now joined in a so-called Christian-Democratic Accord (CDA), and the conservative Liberal Party took over under the leadership of the Christian-Democrat Mr Van Agt and with a career diplomat, Dr Van der Klaauw, a member of the Liberal Party, as its Foreign Minister.

Changed climate

It can be expected that, under the new Government, Dutch foreign policy will be less pressed to probe how wide the margins of an independent foreign policy are, and less inclined to risk the irritation of its partners and allies. Certainly it does not feel the hot breath of its supporters breathing down its neck as much as its left-of-centre predecessor did. So it will have less trouble in following the European and Atlantic priorities that were also, though less openly, those of the Den Uyl Government. It took measures to increase defence spending by 3 per cent in accordance with the agreement reached in Nato in May 1977. The Labour Party, now in opposition, voted against.

It would be wrong, however, to ascribe the vagaries of the last ten years

[1] For the election results, see Michael Wheaton, 'Holland: polarization of political forces', *The World Today*, July 1977.

entirely to leftist quirks and to assume that, with a centre-right Government again in power, everything will be as it used to be in the 1950s and 1960s. This would be to underestimate the degree to which the churches, both Protestant and Catholic, who used to be pillars of the established order, have changed into gadflies of that order, especially where foreign and security matters are concerned. They have been stressing more and more the need for pacifist and evangelical policies. It is not questioning their sincerity to suppose that this is the only way in which they feel they can still keep a hold on the younger generation. The CDA, as a professedly Christian party, cannot afford to ignore this trend.

That is why development aid, together with defence, emerged unscathed from the drastic budget cuts which the new Government was forced to impose on all other ministerial departments. And it is no coincidence that both foreign-policy crises with which that Government was faced right after it came to power were caused by moral qualms within the CDA. The Minister of Defence resigned because he could not agree with the wait-and-see attitude which the Government decided to take in the matter of the neutron bomb, while the CDA parliamentary party decided against adding that weapon to the Nato arsenals. On the other issue, the CDA insisted that watertight safeguards against misuse be attached to the delivery to Brazil of enriched uranium from the Anglo-German-Dutch Urenco project, safeguards that Holland's two partners were not willing to demand and Brazil was not willing to give. Only the prospect of a new government crisis, and of new interminable negotiations, made the CDA back down at the very last moment.

Thus, it is only the Liberal Party that can be said to be the advocate of such a foreign policy as was pursued during the first two decades after the Second World War. But with only 28 seats in the 150-seat Second Chamber (against the CDA's 49) it has a minority position in the Government. Moreover, it has never really shown great interest in foreign affairs.

In some respects, these two first post-war decades can be considered to have been an exceptional period in Dutch history in so far as never before, and never since, has Dutch commitment to alliance and communitarian policies been so unconditional, and based on such a large consensus, as it was then. Although the Van Agt Government will try to bring foreign policy back to normal as much as possible, it will have to take into account the sea-change which Dutch society underwent in the 1960s. The most important effect of that change on foreign policy is that any government's freedom of movement in this field has been severely and, as it seems, lastingly restricted. But while it is true that a kind of neutralism—whether of leftist or of evangelical inspiration—has gained ground during the past ten years, it is equally true that no government cognisant of the country's economic and security interests will dare to

risk harming these interests by antagonizing its allies and partners in Nato and the European Community too much. These will remain, no matter the rhetoric, the cornerstones of any Dutch foreign policy in the foreseeable future.

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South African foreign policy: changing perspectives

J. E. SPENCE

If, as now seems likely, South Africa chooses the garrison state option, any hopes of internal reform will recede further.

THE selection of a new Prime Minister by the Nationalist Party caucus provides an opportunity to review current South African perceptions of events in Africa during the last two years, and—in a more general sense—analyse the changing position of the Republic in the wider spectrum of international politics.

To put the issues involved in some historical perspective, it is worth remarking that Mr P. W. Botha comes to power in circumstances very different from those attending his predecessor's election to office in 1966. Twelve years ago the Republic had clearly recovered from the economic dislocation induced by the post-Sharpeville crisis: indeed, the country's growth rate was often favourably compared with the phenomenal success of Germany and Japan in staging economic revival. Internal security seemed assured with the collapse of the underground remnants of the African National Congress and the Pan African Congress, while in the realm of foreign policy the Government had begun its first tentative steps towards diplomatic and political accommodation with its black counterparts to the north. Mr Vorster, despite an image as the 'Iron Man' of South African politics, seemed a more pragmatic figure than his predecessor, Dr Verwoerd, and the white electorate appeared confident that the effects of continued economic development, coupled with the inability of the outside world to undermine white supremacy, would produce long-term political solutions in keeping with the Republic's traditional attitudes to race relations.

Mr Vorster, however, passes on a legacy much less comforting to his successor: the economy has not sustained the high promise of the late 1960s and early 1970s and like that of virtually every other Western state has fallen victim to the twin evils of inflation and unemployment.[1] It is

[1] See R. Johnson, *How Long Will South Africa Survive?* (London: Macmillan,

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true that there are few outside observers willing to predict the collapse of the apartheid state through internal revolution, external pressures or a combination of both in the short term, but the shock administered to the political system by the Soweto disturbances in 1976, together with recent developments in Rhodesia and Namibia, have meant that there is far less confidence abroad about the Republic's capacity to survive unscathed over the long term (say, 5 to 10 years)—a time-scale which may well shorten as events in Southern Africa gather momentum.

With regard to foreign policy, the détente initiative so confidently launched by Mr Vorster in 1974,[2] with all the promise of a corresponding relaxation of internal rigidity, floundered in the ill-conceived Angolan intervention and none of the original parties involved among the 'front line' states has made any serious attempt to revive it. Worse still, Mr Botha inherits a breakdown in negotiations with the United Nations over the pace and scope of de-colonization in Namibia, and the possibility that sanctions may be imposed to compel the Republic to conform to the requirements put forward in the Secretary-General's report to the Security Council. There is, too, the added complication presented by events in Rhodesia; these threaten to overwhelm the best efforts of those —whether in Pretoria, Washington or London—to halt the war, which, if allowed to escalate uncontrollably, raises the spectre of Cuban intervention and a South African counter-response.

What may we expect of Mr Botha in these circumstances? In domestic terms, it is hard to see any major shift in government policy. Twenty years ago, the choice as Prime Minister of the leader of the party in the Cape Province might have suggested a swing to the more *verligte* (enlightened) wing of the Nationalist Party. On this occasion some commentators[3] have suggested that, despite his tough stance on external affairs, Mr Botha shares the *verligte* assumptions about domestic policy characteristic of his Cabinet colleagues, Dr Piet Koornhof, the Minister for Sport, and Mr Pik Botha, the Foreign Minister. Yet while there is some evidence that Mr Botha has always regarded the aspirations of the Coloured community with a degree of sympathy (hence the role assigned to him as one of the chief architects of the new two-tier constitutional structure to take effect in 1981),[4] his commitment to the homelands policy is absolute and he is not on record as displaying any pronounced sympathy for the plight of the urban African. Indeed, the rejection by the

1977) for an analysis of urban African unemployment as a cause of the Soweto disturbances in 1976.

[2] See John Barratt, 'Détente in Southern Africa', *The World Today*, March 1975.

[3] See, for example, Nicholas Ashford, *The Times*, 29 September 1978.

[4] This involves the establishment of three parliaments—one for each of the White, Asian and Coloured communities—with an executive body under the direction of a President.

party caucus of the claims of his two rivals in the contest for the leadership—Dr Connie Mulder and Mr Pik Botha[5]—both of whom have demonstrated *verligte* tendencies in the past, suggests that the party as a whole wanted a leader who would take a stern, uncompromising stand on relations with the outside world, and by definition resist external pressures to make significant internal reforms.

The Namibian issue

In the external arena, the most immediate problem is that of Namibia. At first sight, Mr Botha might seem to have little room for manœuvre, given the blunt rejection by his predecessor (on 20 September 1978) of the Secretary-General's report, and in particular the latter's insistence that the size of the United Nations force be increased to 7,500, that a 360-strong police component be introduced and, finally, that the election date be deferred well into 1979. On the other hand, given Mr Botha's standing in the Cabinet and his crucial role as a 'hawkish' Minister of Defence, it is reasonable to conclude that Mr Vorster's rejection of the Report had his full backing—if indeed he was not the main opponent of any further concessions to the United Nations. With South Africa's traditional distrust of the United Nations, and its scepticism about the latter's ability to act impartially in the delicate period leading to the goal of independence, it is hardly surprising that Pretoria should view a 7,500-strong UN contingent as an 'operational peace-keeping force, or an occupational force'.[6]

What the Government fears is that a UN presence of this size would in effect be strong enough to legitimate any and every action taken by the South-West Africa People's Organization (SWAPO) to extend its influence throughout the territory by whatever means. In other words, the South African Government, which has an obvious interest in electoral victory for the non-SWAPO parties, regards the establishment of a large UN presence as clear evidence of a United Nations intention to reduce Pretoria's role to a minimum in the transfer of power to an independent Namibia. This is evident from Mr Vorster's allegation that the Secretary-General's Special Representative was guilty of 'lack of consultation with the Administrator-General of the territory' during his visit in August to lay the groundwork for UN participation.[7] Thus Pretoria drew the inference that its administrative structure in the territory would have little, if any, share in the decision-making process in the period before and after the pre-independence elections. In these circumstances, the Government concluded, only SWAPO could benefit.

[5] On 13 May, Dr Mulder met Dr Nthatho Motlana, the Chairman of the Soweto Committee of Ten, to discuss the position of the urban black, a move which his predecessor in office, Mr M. C. Botha, resolutely refused to make.
[6] See Mr Vorster's statement on 20 September 1978.
[7] *ibid.*

The Security Council's endorsement in late September of the Secretary-General's Report and the implicit threat of sanctions if South African compliance was not forthcoming present the new Prime Minister with his first major test in foreign policy. Both Mr Vorster in his valedictory statement of 20 September and the terms of the Security Council's Resolution of 29 September 1978 left open the possibility of further negotiations between the Republic and the so-called 'contact' group of the five Western powers. Whether Mr Botha, whose appeal to the Nationalist Party was largely based on his past record of intransigence in dealing with South Africa's external difficulties,[1] is capable of flexibility on the Namibian issue can only be a matter of speculation at this stage. What is clear is that many in the ruling élite are convinced that, in the last analysis, no amount of concessions on specific issues such as Namibia to the demands of their critics abroad will favourably affect their long-term position in the sense that such concessions will be interpreted as evidence of weakness and only accelerate ultimate confrontation on the fundamental issue of apartheid itself.

It could, of course, be argued that Mr Vorster's willingness to agree to a United Nations-sponsored transfer of power in April 1978 was in itself a major concession, a first major step in the ultimate transformation of Southern Africa in the direction of Black majority rule. But this thesis requires qualification on a number of grounds: (i) agreement in principle to de-colonize Namibia would not, in Pretoria's view, indicate a weakening of commitment to maintain white supremacy in the Republic; (ii) an 'independent' Namibia under the rule of, for example, the Democratic Turnhalle Alliance[2] would presumably be sympathetic to 'co-existence' with South Africa and, more important, maintain the existing economic linkages; (iii) in strategic terms, it would be more sensible to regard the Republic's defensive perimeter as coterminous with traditional state boundaries rather than face a commitment of troops to a counter-insurgency campaign, which would not only complicate relations with neighbouring states such as Angola and Zambia but also has the added and more profound disadvantage of weakening South Africa's efforts to maintain a relationship with the West, free of precisely the diplomatic and military tensions that have arisen over the Namibian issue in the more recent past.

Some observers have claimed that South Africa's willingness to accept the Western plan for Namibian independence was simply a confidence trick, designed to impress upon the five-power contact group its good faith, but in reality a gamble on the assumption that SWAPO would ultimately find the proposals unacceptable and leave South Africa in a

[1] He is widely credited with the planning and the execution of the Angolan intervention in 1975.

[2] This political party combines *verligte* Afrikaner Nationalists with representatives of the various ethnic groups opposed to SWAPO.

position to pose as the morally aggrieved party.[10] The evidence of the South African attack on the SWAPO base at Kassinga in Angola (in which 600 people were killed) is cited in support of this view. The truth in matters of this kind can rarely be established with any degree of authority; it may simply be that Pretoria wanted to impress upon SWAPO the strength of its commitment to prevent a military 'revolutionary' solution should SWAPO elect to pursue this option rather than one involving a negotiated transfer of power. (In this context, the bombing of North Vietnam by the Nixon Administration during the Paris peace negotiations is an analogy that readily comes to mind.)

Yet, whatever interpretation is placed on South Africa's motives for initially accepting the Western proposals and then ultimately rejecting them, there remains the strong possibility that Mr Botha will be willing to risk the threat of sanctions on the ground that the Western powers will draw back from a strategy, the political and economic consequences of which are at best uncertain and at worst damaging to the existing pattern of trade, investments and, more important, to continued access to vital strategic raw materials of which South Africa is a major repository.[11] Even selective sanctions (on oil, for example) present difficulties: the Republic has long been aware of this particular threat and has taken measures to stockpile oil to support its indigenous production from coal.

Furthermore, any decision to impose sanctions will not make its impact in the short term and in itself reflects the dilemma facing the outside world in trying to find refined and appropriate external instruments for inducing a change of policy in a state, the history and political culture of which have long inured it to survival in a hostile environment. Indeed, Mr Botha's determination to resist the clamour for concessions on the Namibian issue (and any others that may arise during his Premiership) may be strengthened by the conviction that it is better to face the worst now rather than give way in the knowledge that 'appeasement' of the United Nations over Namibia can only be a prelude to greater pressures in due course on the more crucial and fundamental issue of apartheid.

The Rhodesian issue

Since the collapse of the Geneva Conference nearly two years ago, the South African Government appears to have played a relatively passive

[10] See R. Murray, P. Wintour and Caryle Murphy, 'The crisis that Vorster manufactured', *New Statesman*, 29 September 1978, pp. 402–3.

[11] The compromise reached in the discussions between the US and Western Foreign Ministers and the South African Government in mid-October could be interpreted as very satisfactory from the latter's point of view; Pretoria, after all, did not give way on the crucial issue of an election in December 1978, and whether the proposed UN-sponsored elections take place or not depends on the attitude of whatever government comes to power in December. To this extent South Africa has gambled successfully on the West's unwillingness to impose sanctions and its readiness to accept compromise which leaves Pretoria still in possession of a number of options.

role in such private negotiations as have continued to promote a settlement between the Patriotic Front and the Interim Government in Salisbury. The increase in the scope of the guerrilla war, the stalemate on the political front (despite the efforts of John Grahame, the British Foreign Office Representative, and the United States Ambassador, Stephen Low), together with the perception of Robert Mugabe, the Zanu leader, as a Marxist revolutionary, bent on the violent destruction of Rhodesia's economic and political structures, have induced a mood of disillusion in Pretoria about the likelihood of a negotiated transfer of power from white to black. Mr Botha was, after all, a witness to Mr Vorster's efforts to bring the warring parties to the conference table, and the failure of the resulting talks hardly provides him with an incentive to renew the offer to use South Africa's good offices in helping to achieve a settlement. Indeed, there is some evidence that Mr Vorster welcomed the establishment of the Interim Government, but its lack of success in establishing a cease-fire and winning international credibility has contributed to the Republic's withdrawal from an active diplomatic role.

South Africa's policy-makers find themselves in a dilemma over Rhodesia. Even if they were willing—at the behest of the United States and the United Kingdom—to cut off economic support for the Smith regime, there would be no guarantee that a successor government—the product of negotiation, but dominated by the Patriotic Front—would be one which Pretoria felt it could live with, especially if the changeover was accompanied or followed by a prolonged period of civil strife in which the lives and property of the white minority came to be at risk. Pressure on Mr Botha to intervene would mount from the *verkrampte* (hardline) elements of the white electorate on the grounds that a decisive defeat of South Africa's 'enemies' abroad would be more sensible than to wait passively for the inevitable incursion of freedom fighters from the sanctuary of a newly liberated Marxist-dominated Zimbabwe. But a strategy of this kind would conceivably call forth a Cuban counter-response and a widening of the conflict beyond limits which South Africa, despite its large and sophisticated military capability, would regard as tolerable. On the other hand, if events are passively allowed to take their course and the Rhodesian issue is settled by the gun rather than at the conference table, the incentive to intervene remains the same, as conceivably do the consequences resulting from such a course of action.

In other words, the time has passed when South Africa could confidently bank on a policy of active support for Western pressure on the Smith regime producing a society in which the values of political order, economic development and co-existence with the Republic would inevitably prevail over those making for disorder and hostility to the Republic, which it now—correctly or incorrectly—perceives to be the likely outcome if the current trend of violence maintains its momentum.

In any case, the international climate in which the Vorster–Kissinger strategy was formulated in 1976 has altered radically since the Carter Administration came to power: the Southern African policy of the Ford Administration was compatible with South African interests in the sense that Kissinger's brief encounter with Southern African realities explicitly demonstrated the conservatism that has underpinned traditional Western strategies in this area. Believing that there are no final solutions to the problems that beset the statesmen in international politics, that all that can be done is to 'patch up' holes in the fabric of international society in the certain knowledge that such partial solutions will inevitably generate new crises in due course, it is hardly surprising that Dr Kissinger saw the three problem areas of Southern Africa (Rhodesia, Namibia and the Republic) as compartmentalized into distinct and to a large degree separate issues. Pragmatism demanded that Rhodesia be dealt with first in the hope that a settlement there would encourage one in Namibia; South African help was required if these objectives were to be achieved—hence a willingness on Kissinger's part to place the South African problems on the 'back-burner', a policy which suited Mr Vorster's Government in so far as it appeared to give the latter the status of an influential and detached protagonist working closely in co-operation with the Western Powers and to a degree compensating for the collapse of détente and the débâcle of the Angolan intervention. Indeed there is some evidence that Mr Vorster expected (and was probably promised) a variety of quid pro quos for his assistance: ultimate recognition of the Transkei, more sympathetic treatment on the issues of arms sales and a more pronounced willingness to defend the Republic's policies at the United Nations.

By contrast, the Carter Administration (and Dr David Owen) have recognized that the conflict between black and white in Southern Africa cannot be broken into neat, discrete elements; that it has a dangerous potential to spill across national boundaries; that 'solutions' in Rhodesia and Namibia—whether the product of negotiation or successful drawn-out revolutionary violence—will hardly confine their effects to the territories in question, but will have an immense psychological impact on the large, dispossessed black majority in South Africa. In practice, no doubt, US and UK policy will operate pragmatically, but it is noteworthy that events have forced both governments to proceed simultaneously with attempts to (i) persuade SWAPO to adopt the Western plan for decolonization of that territory and (ii) to bring the rival groupings in Rhodesia together before the guerrilla war gets completely out of hand.

South African assistance, it is true, is still required if both ventures are to succeed, but Mr Vorster and presumably his successor (judging from outbursts over the last year directed at the Carter Administration) know very well that the Republic cannot expect to escape unscathed following

any such fundamental changes in the status and political structure of the two territories on its northern borders. And the greater urgency in forming Washington's policy towards Southern Africa (in contrast to the relative passivity of earlier administrations) is made all the more disturbing for Pretoria by the knowledge that it is dealing with an American government which is trying to reassert a genuine concern for human rights wherever these are in jeopardy—i.e. a concern to revive a liberal tradition of American foreign policy that can be traced back to Woodrow Wilson. The more cynical would point to President Carter's electoral dependence on a large domestic black constituency as the prime explanation for the shift in policy from that of his Nixonite predecessors; but whatever the motivation behind this policy, there can be no doubting that Southern Africa has assumed the status and the proportions of a major foreign policy priority for the United States Government.

Perspectives on Communist penetration

South Africa's reactions to the spectacle of Soviet gains in Ethiopia and the anti-government rebellion in Zaire have been predictably hostile and it is significant that it was Mr Botha (then Minister of Defence) who led the attack on the pusillanimity of the Western powers in the face of Communist expansion. In May 1978, he made it abundantly clear that his Government regarded both these developments as clear evidence of a 'global Communist strategy to conquer the whole of Southern Africa, seize its wealth and control the Cape sea route'. Later in the month, he claimed that unless the free world stopped the inexorable enslavement of Africa by Marxism, the continent would become totally exploited by 'the games of the super-powers'.[13]

It should be remembered that it was Mr Botha who in the period 1968–70 engaged in a bitter debate with Mr Dennis Healey, the Labour Government Minister of Defence, about the 'correct' interpretation of the Simonstown Agreement. He has been in the forefront of these who claim that the Republic is a vital bastion of Western security in the Southern oceans. Throughout the late 1960s and early 1970s, Pretoria continually stressed the value of the Simonstown base, the Republic's well-equipped ports and harbours, and the value of its extensive military capability to the Western Alliance. This, of course, was part of a wider political strategy to promote a greater degree of integration with the West on the assumption that an ever-increasing network of economic and military linkages would actively inhibit any attempt by Western governments to disassociate themselves from South Africa. In the military field, the argument made little impression on Western policy-makers, and until the evidence of growing Soviet influence in the Horn and elsewhere presented itself, the Republic appeared to have let the argument about its

[13] *South African Digest*, 26 May 1978.

value go by default in the hope that ultimately its predictions about Communist subversion would come true and lead to a transformation of Western attitudes.

Yet the growth of a Soviet presence in Africa has coincided with the emergence of an American Administration that—for a variety of reasons —declines to counter Russian moves in kind. Thus a renewal of South African claims to be taken seriously by the West as an ally in the struggle against an expanding Communism (and this has been the burden of recent speeches by Mr Botha and his senior military advisers)[18] is not likely to impress an American audience which believes that the appropriate response to a Soviet build-up in Africa should be diplomatic and economic rather than military in scope. It is this profound difference in principle between Washington and Pretoria which—if it persists—is likely to lead the new Prime Minister into a determined effort to make a virtue out of South Africa's growing isolation; we can expect an increasing pre-occupation with the needs of military security and, in particular, a determination to gird South Africa's defences to deal with the threat of guerrilla incursions from neighbouring independent states.

In circumstances of growing isolation, the garrison state option will look increasingly attractive with all that it implies negatively for any prospect of internal change of a reformist kind. Finally, it is conceivable that the constraints against an open declaration of nuclear weapon status will weaken as policy-makers in Pretoria search for any means available to strengthen their image of impregnability. The new Prime Minister, after all, spent twelve years as Minister of Defence; it would hardly be surprising if 'the worst case analysis' in a military sense had more appeal than the intangible and uncertain benefits to be derived from following a more flexible diplomacy abroad and a *verligte* strategy of reform at home.

[18] See, for example, a recent statement by General M. A. Malan, Chief of the South African Defence Force, *South African Digest*, 8 September 1978.

Lebanon in turmoil

GEOFFREY BOWDER

Lebanon's future is now inextricably bound up with the region as a whole. External influences combined with continuing internal tensions have hampered the search for a settlement of the country's problems.

THE two years following the end of the Lebanese civil war[1] in November 1976 have seen the continuing failure of all attempts by the Lebanese Government to restore normality to the war-torn country. Eighteen months of savage fighting with the killing of 40,000 people and the wounding of more than twice that number resulted in a precarious balance of power among the militant factions involved in the war, but it did nothing to solve the underlying problems which led to the fighting. It is true that the Palestinians and their Lebanese Leftist allies were cut down to size by the Syrians following their intervention in April 1976; it is also true that, for a time, a special relationship emerged between some Maronite politicians and the Syrians, whereby the former's de facto authority, though somewhat curtailed, was to be maintained by the power of the latter's army in the guise of the Arab Deterrent Force (ADF). For a few months, it even seemed possible that a strong presidential system of rule might be established which would overcome the traditional Lebanese system of clan intrigue and the balancing of factional interests. But the politicians of the Right failed to persuade the Maronite warlords of the need for change and the latter had, from the outset, been suspicious of any arrangement which might reduce their future influence and at the same time serve Syrian interests. The seeds of a confrontation between the Maronite militias and the Syrians were thus sown. The Palestinians and Lebanese Leftists, for their part resentful over the treatment meted out to them by the Syrians, were in no condition to oppose the new order and, especially after the assassination of the Leftist leader Kamal Jumblatt in March 1977, both these groups concentrated on regrouping and rebuilding their strength.

On the wider international front, the civil war had the effect of revers-

[1] See Frank Stoakes, 'The civil war in Lebanon', *The World Today*, January 1976.

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ing Lebanon's normal political and economic roles and of bringing the country into the orbit of Syria: from being one of the most important financial centres in the Middle East but, at the same time, politically on the side-lines of the area, Lebanon was left economically isolated but at the centre of the Arab political stage. The war itself and the subsequent unsettled conditions in the country have caused a flight of capital and businesses which makes it extremely unlikely that Lebanon will be able to reassert itself as a leading business centre of the Arab world in the foreseeable future. Last year, a comparatively quiet period saw the beginnings of a revival of economic activity, shown partly in the number of ship arrivals at Beirut port (2,783) and the tonnage of goods in transit (266,897)[2]—an important indicator of the Lebanese economy—and partly by the recovery of industrial exports which, valued at LL 836,092,000,[3] fell only just short of the figure for 1974, the last complete year before the outbreak of war. But the renewed fighting in 1978 between Rightist Christian militias and the mainly Syrian ADF, which resulted in the prolonged closure of Beirut port, has once again put the seal on economic revival.

In the political field, the outcome of the civil war has been to thrust Lebanon into the cauldron of Arab politics and link its future to that of the region as a whole. Every country involved in the Arab-Israeli conflict has its own power group operating in Lebanon on its behalf either through militias, intelligence agents or financial manipulators. The mainstream Palestine Liberation Organization (PLO) regards Lebanon as the only firm base from which to continue the struggle for recovery of part of the lost homeland; it is opposed by Rejection Front Palestinians, backed in the main by Iraq and Libya, who refuse to recognize the existence of Israel; Egypt acts against the PLO in Lebanon which it feels poses a threat to the Israeli-Egyptian peace negotiations; Kuwait, Saudi Arabia and the Gulf Emirates provide money for whichever group they feel threatens the stability of the Arab world least; Syria works to establish a passive Lebanon on its western flank with which it can forge strong political, economic and cultural links; Israel, in alliance with the Christian Rightists, works for continued Christian hegemony in Lebanon.

Faced with the daunting task of recreating the state of Lebanon from the anarchy of the civil war, President Sarkis, with Syrian support, appointed a cabinet of technocrats whose primary aim was to get the central government machine working towards the twin goals of national reconciliation and reconstruction. In thus bypassing the processes and men of influence of the old regime he incurred their everlasting wrath. In a country which, despite its pretensions towards modernity, still recognizes the power of war lords and petty princes, the withholding of traditional support from the Government is tantamount to making the

[2] *The Arab Economist*, May 1978, p. 30. [3] *ibid.*, p. 36.

state ungovernable. For Sarkis the coercion exercised by militias in their areas had to be replaced by some form of state authority. In the absence of a confessionally balanced regular army, which was then and still is in the process of being built up, the President was compelled to rely on the mainly Syrian ADF to impose the will of the state. The clashes in July of this year between the ADF and Rightist militias led to the threatened resignation of President Sarkis who no longer felt able to countenance the method of heavy bombardment of Christian residential areas used by the ADF in pursuit of its aim. His dilemma in remaining in power is that little has changed since his resignation threat was withdrawn: state authority is minimal; the Christian paramilitary organizations refuse to see the ADF as the legitimate enforcer of central authority and the struggle between them continues; the embryonic Lebanese army has been unable to deploy alongside the United Nations forces in the south because they were refused right of passage by the Rightist militias; the economy stagnates in the absence of confidence in the future of the country. Sarkis's frustration as President was summed up recently by one of his closest aides in the following words: 'Today the President speaks for nobody but himself. He is a Maronite without any authority over the Maronites, Commander-in-Chief of the Arab Deterrent Force which never asks him his opinion and the head of a state which no longer exists.'[4]

The Syrian presence and Israel's role

The massive Syrian presence in Lebanon[5] is one of the totally new factors in the post-civil war situation in Lebanon. Syria's intervention in the war and its subsequent attempts to influence Lebanese affairs stems from a preoccupation with its own security vis-à-vis Israel. A Lebanon in turmoil or a radicalized Lebanon would provide Israel with an excuse for intervention and perhaps drag Syria into war at a time not convenient to it. Syria's initial intervention aimed at preventing a Palestinian/Leftist victory in the civil war which might have led to the partition of the country. Instead, Syria hoped that by backing the Christian Rightists it could pressurize them into creating a modern centralized state in which the President, Prime Minister and Cabinet exercised effective control in all areas of state business. Such hopes were to prove stillborn in the face of opposition by the Rightist militias of the Phalangists and Chamounists who feared the eclipse of their own power and were suspicious of Syria's proclaimed intention to strengthen Lebanon's Arab identity. The confrontation between the Rightist militias and Syrian forces was fully anticipated by perceptive observers of the Lebanese scene nearly a

[4] *Le Monde*, 28 July 1978.
[5] See Sam Younger, 'The Syrian stake in Lebanon', *The World Today* November 1976.

year ago.[6] Then it was pointed out that Syria's lack of relish for such a confrontation stemmed from its fear of Israeli reprisal in the event of any move against the Rightists.

The Rightist alliance with Israel took shape during the civil war when Israel provided weapons and training facilities through the 'Good Fence' policy in the south. The gradual strengthening of this alliance over the past two years gave the Rightists what they believed was their surest guarantee against an all-out Syrian attack on their militias. During 1977 Syria scrupulously avoided a direct confrontation with the Rightists, but on 7 February 1978 a serious clash occurred at Fayadiyah (just outside East Beirut) between the mainly Syrian ADF and units of the Lebanese army supported by the Chamounist militia. On 8 and 9 February further clashes took place in Beirut along the 'Green Line' dividing the city into eastern and western sectors, leaving dozens of casualties on both sides. This clash proved to be the first of a series of major confrontations between the Rightist militias and the ADF which continued throughout the summer and autumn and raised the level of tension in the country to flash-point. The Syrians relied on rocket, mortar and artillery attacks on residential areas of East Beirut known to contain units of the Rightist militias as well as on other Rightist positions in the mountains overlooking the city. Israel's response to these attacks, at first restrained and confined to verbal condemnations and low aircraft overflights of Syrian positions, escalated to include sporadic naval shelling of Muslim areas. At the time of writing, a fragile ceasefire is in force, but it remains to be seen if it will hold.

With the imminent signing of the peace treaty with Egypt after the Camp David accord, it is difficult to visualize direct Israeli military support of its Christian allies, but in the volatile situation in Lebanon, a slight miscalculation of tolerance threshholds can bring disaster. Syrian policy is quite clearly one of maintaining pressure on the Rightist militias to complete the isolation of the Maronite community—already out on a limb in the Arab world through its alliance with Israel. It has sought to achieve this partly through its bombardment of Christian strongholds and partly through waging psychological warfare in an effort to undermine the traditional Christian leadership. On the one hand, Syrian newspapers carry frequent personal attacks against the Christian leadership of Pierre Gemayel and Camille Chamoun and speak of 'the Fascist acts of the Phalangists and Chamounists being escalated during the coming period';[7] on the other, great encouragement is given to other Christian leaders, whether they be spiritual leaders from the Greek Orthodox and Greek Catholic patriarchates or supporters of the Frangieh clan in north

[6] For instance, Jim Muir, 'Who decides Lebanon's future?', *Middle East International*, December 1977.

[7] *Tishrin* (Damascus), 22 July 1978.

Lebanon. The Syrians hope in this way to break down the morale of the Maronite community and make it more amenable to the centralized authority represented by President Sarkis and his Government. That the Syrians have underestimated Maronite resilience goes without saying but, short of all-out war with the Rightist militias which would almost certainly bring in Israel, Syria's hands seem tied.

The Palestinians

Alongside the Rightists and the ADF, it is the Palestinians who make up the third important factor in the Lebanese equation. After suffering a grievous blow at the hands of the Syrians in the last months of the civil war, this group has once again reorganized and, as shown during the Israeli invasion of South Lebanon in March 1978, its militias, when united, are capable of stout resistance. During the past eighteen months (with the exception of the period of the Israeli invasion), the PLO has maintained a low profile in Lebanon as it attempts to iron out the differences within the movement over strategy, both in local terms as regards reoccupation of the UN-controlled zone in the south, and regionally with regard to future action against Israel and policy towards the West Bank and Gaza in the event of Israeli withdrawals. Clashes between mainstream PLO and Rejectionists, particularly since the Israeli invasion of south Lebanon, have shown clearly the political and ideological tensions that exist within the movement. These have been further heightened by the failure of the Camp David accord to provide any real hope for the two million Palestinians not living under Israeli rule. Frustrations among the Palestinians in Lebanon have already made the task of the 'moderates' more difficult and led to increasing demands from the militants for an escalation of guerrilla activities against Israel. Such actions will probably stem from within Israel and the occupied territories as the PLO has no wish to jeopardize further relations between Palestinians and the predominantly Shi'ite villagers of the south who, in the past, have borne the brunt of Israeli reprisals for guerrilla raids launched from Lebanese territory. (The Israeli invasion of March 1978 resulted not only in the deaths of 150 guerrilla fighters but also of upwards of 1,000 innocent Lebanese civilians.)

In the wider political sphere, mainstream PLO policy is now closely in step with Syria. Both sides oppose the Sadat initiative and the Camp David accord which they regard as a threat to their future interests. They see the best hope for a settlement of the Israel–Palestine dispute through the reconvening of the Geneva conference on the basis of the principles set forth in the Soviet-American statement of 1 October 1977 which proposed, among other points, the withdrawal of Israeli armed forces from territories occupied in the 1967 conflict and the ensuring of the legitimate rights of the Palestinian people. During his visit to Moscow in early

October, President Assad was assured of continuing Soviet commitment to these principles.[8] A leading PLO spokesman in Beirut[9] felt that the Israel–Palestine question had become so entrenched in the minds of those directly concerned and evoked so much bitterness that concessions were no longer possible from either side. What was now needed, he said, was pressure on both parties from the two super-powers and a face-saving formula for all.

The Lebanese Left

Close allies of the PLO are the group of left-wing parties that go to form the Lebanese National Movement under the leadership of Walid Jumblatt. Support for the Lebanese Left began to grow in the 1960s when expectations of higher living standards in the capital brought about a rapid rate of migration by Lebanon's poor to Beirut. The majority of these migrants were Shi'ite Muslims who congregated in shanty towns centred on the old Shi'ite suburb of Burj al Barajina on the southern outskirts of Beirut. The realities awaiting them often turned out to be unemployment, abject living conditions and a sense of disorientation brought about by city life. The grievances of this new class of rootless poor were exploited by the leadership of left-wing groups politically alienated from the Lebanese confessional system; and because these centres of urban poverty and discontent were often situated close to the Palestinian refugee camps which ringed Beirut, an affinity and symbiosis developed between the Muslim poor of the capital and the Palestinian refugees. Under the impetus of small but influential extremist groups, such as the Communist Action Organization and the Independent Nasserists, the forces of the Lebanese Left became better organized and merged into a coalition of radical and Arab national parties called the National Movement whose leader and chief spokesman was Kamal Jumblatt, the father of the present leader.

After the war of October 1973 the National Movement drew even closer to the Palestinians and by the time of the Lebanese civil war there was an identity of views on many domestic political issues. Like their Palestinian allies the supporters of the National Movement suffered heavily at the hands of the Syrians in the closing months of the civil war. A further blow was the assassination of their leader Kamal Jumblatt in March 1977, the only voice with sufficient weight and authority to unite them. Nevertheless, they have been helped to their feet in recent months by Syria, ever anxious to foster any political grouping hostile to the Rightist Christians. At present the parties of the Left are in buoyant mood calling for the removal of the Christian 'isolationists'—those who

[8] *The Times*, 6 October 1978.

[9] Shafiq al Hut, Director of the PLO office in Beirut, in an interview with the writer on 13 July 1978.

want the isolation of Lebanon from the Arab world. Though enjoying a measure of popular support and boasting a militia of some 5,000 men in comparison to the 12,000 for each of the Palestinian and Rightist militias, the parties of the Left can only muster a total of three deputies in Parliament—a state of affairs which they blame on corrupt electoral practices.

The UN operation

One of the success stories in Lebanon during the past few months has been the setting up and operation of UNIFIL (United Nations Interim Force in Lebanon) in response to the Israeli invasion of south Lebanon in March 1978. Israel's Operation Litani resulted in a mass exodus of villagers from the war-ravaged south of the country, most of whom took refuge in or near an already crowded Beirut, creating acute problems of supply and accommodation for the Government. The successful implementation of UN Security Council resolution 425 which called for an immediate Israeli withdrawal and the setting up of an interim force in Lebanon was vital for Lebanon. The force's mandate was 'to confirm the Israeli withdrawal, restore peace and security and assist the Lebanese Government in ensuring the return of its authority in the area'. It was hoped that the force would create the conditions for a return of refugees to their homes and help pacify an area in which the Lebanese Government was never able to exert true authority, and thus render it less liable to Israeli reprisal raids.

With the withdrawal of Israeli forces on 13 June 1978 and the establishment of peace and security in most areas south of the Litani river, UNIFIL has carried out the first two parts of its mandate. The third and most difficult phase is now in operation and has met with only partial success. This is because Israel, while making its withdrawal from Lebanon visible, took care to arm small groups of Rightist Christian militias who were reinforced by sea from the Maronite heartland and leave them in control of key positions near the frontier. It is in these border areas that UNIFIL's control has yet to be established. In the remainder of the UN zone, the most immediate and obvious effect of UNIFIL's presence has been the steady return of refugees to their homes and the resumption of normal living by the inhabitants after a decade of enforced co-operation with Palestinian guerrillas after whose exploits across the border came the inevitable Israeli reprisal. However, peace will be maintained in the south only if UNIFIL is able to pacify the Christian border enclaves. Continued non-co-operation with UNIFIL by the Christians will make it difficult for the more moderate Palestinian leadership to resist extremist pressures for a revival of guerrilla activity from within UNIFIL's area. Given the inherent volatility of the border region, the implacable hostility between Leftist/Palestinian and Rightist

armed groups, the frustrations of the former who feel thwarted by the UN presence, and the suspicions and sense of insecurity of the latter who doubt UN ability to prevent armed infiltrators from attacking them, UNIFIL is faced with a task which is not only vitally important but also extremely complex and dangerous. The recent decision by the Security Council to extend its mandate provides a stabilizing influence in the south for a few more months.

Entrenched attitudes

Many of Lebanon's problems would be simplified if its inhabitants could view themselves as citizens of a country rather than members of a clan or community. For obvious reasons the Palestinians of Lebanon are unable to do so; Muslim Lebanese, while certainly regarding themselves as citizens of Lebanon, still have strong community ties, but it is the Maronite Christians above all who, to most observers, seem enmeshed in a mass of family, clan and religious loyalties that blind them to state loyalty. Such a view, however, ignores the Maronite historical memory which recalls the massacre of Maronites in 1860 during which upwards of 12,000 lost their lives. Maronites view the recent Syrian actions as a threat to their very survival. But with few exceptions they also regard themselves as rightful masters of a country they have dominated since independence from France in 1943. They see themselves as intellectually and culturally superior to their Muslim compatriots and, above all, they fear to live under any Muslim-dominated Lebanese government which may emerge. 'What', the Maronites ask, 'would be our place in an Arab Lebanon with Islam as the state religion?'

Those who despair of entrenched attitudes ever changing in Lebanon may take some consolation from the fact that during the worst excesses of the civil war there were many cases of human values enduring. For the hundreds who were kidnapped and shot in cold blood for their religious belief there were many others similarly kidnapped in the heat of the moment but later released. In areas of Beirut which had a tradition of tolerance—Ras Beirut is a clear example—the horrors of the war did not affect day-to-day relations between Christians and Muslims. Surveys carried out among Lebanese university students, both Muslim and Christian, in 1977 have reflected a tendency to rank citizenship as the most important and religion as the least important of their several group affiliations; the analysis of questionnaires also showed that attitudes towards strangers were coloured, not by religious group membership but by the similarity or otherwise of the stranger's political views.[10] Such examples, though on a small scale and unrepresentative of the country as

[10] See Jamil Aziz, 'Partition: students step across the abyss', *The Middle East*, March 1978, and Professor Lutfi Diab, 'On Muslim-Christian animosity in Lebanon: reality or myth?', *New York Times*, 27 November 1977.

a whole, do at least point to the persistence of the seeds of religious tolerance.[11]

The tragedy for Lebanon is that it is now probably too late for its people to rediscover the many bonds which could unite them. The years of sectarian strife and the Syrian-Rightist confrontation have taken their toll and increasingly isolated the Maronite community, most of whose leaders, despite protests to the contrary, see some kind of autonomous rule as the only safe future for them. What compounds the tragedy is that Lebanon's future depends to a great extent on the operation of factors and factions outside its control. Recent Arab attempts to find a solution to the problem, though welcome, will probably provide no more than a breathing space. It is only strong international pressures, exerted on all parties to the dispute, which can now bring about any movement towards a negotiated compromise.

[11] In the north Lebanese towns of Tripoli and Zghorta, Muslim and Christian respectively, the reconciliation between their leaders Rashid Karami and Sulaiman Frangieh, bitter enemies of the past, was an encouraging instance.

European monetary co-operation: the Bremen proposals

GEOFFREY DENTON

Can the European monetary system proposed at the Bremen summit in July become a viable economic policy option for EEC member governments, and particularly for the UK?

THE 'traditional' arguments originally used to support the call for European Monetary Union (EMU) were, briefly:

(*a*) that the free movement of goods and capital within a unified market was hindered by uncertainty and burdened with the costs deriving from separate currencies and parity changes.

(*b*) that the operation of common policies in managed sectors, especially the common agricultural policy, required a common currency so that a single price could be established throughout the common market for each commodity.

(*c*) that pooling of reserves would bring economies in foreign currency holdings.

(*d*) that external monetary relations, especially vis-à-vis the US dollar, could be more successfully operated with the strength of a common currency.

There is no need to review these arguments in detail. They were and remain powerful. Indeed, they have been reinforced by events in the 1970s. More frequent parity changes and adoption of floating exchange rates have increased the costs of uncertainty. The common agricultural policy has been kept in being only with the costly and absurd devices of 'Green' rates and monetary compensatory amounts, which allow the fiction of common prices to be maintained, while in reality enabling member governments to manipulate the national price levels to suit their own political interests, whether these be to please high-cost Bavarian farmers or price-conscious UK consumers. The continued weakness of the dollar

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(which remains the chief vehicle currency) especially in 1977–8 has continued to put strain on other currencies and to increase the instability of the EEC member states' parities.

The major objection raised against EMU in the early 1970s was that by abandoning control over the exchange rate as an instrument for adjusting the economy, national governments would be risking both higher inflation and higher unemployment. The argument was, briefly, that a balance-of-payments disequilibrium between two countries that had abandoned their separate currencies, and with them the power to alter their relative exchange rates (and assuming factor movements to be inadequate or undesired), would have to be corrected by deflation in the deficit country and/or inflation in the surplus country. It may be shown, on certain assumptions about the relationship between unemployment and inflation, that unemployment could increase by more in the deflating country than it would fall in the inflating country, *and* that inflation could rise by more in the inflating country than it fell in the deflating country. The net result could therefore be an overall increase in both inflation and unemployment. The higher level of unemployment in the US than in Western Europe is sometimes adduced as evidence in support of this type of reasoning, though many other variables are involved in explaining this. This type of argument against EMU was also important in the opposition to UK participation in the 'snake' and in support of our decision to allow the pound to float after June 1972.

Failure of EMU attempts in 1972–7

The Werner Plan of 1970 outlined three stages towards the construction of EMU by 1980. Only the first stage has been attempted, and then only partially and with limited success, its key feature being the 'snake' arrangement for restricting the day-to-day fluctuations of the EEC member states' exchange rates as a transitional step to fixing the exchange rates. The revised Werner Plan of 1972, after the Smithsonian realignment of December 1971, was for a snake of 1·125 per cent maximum movement up or down of any EEC currency against the average value of all EEC currencies, giving a 2·25 per cent maximum swing for any EEC currency against the average, and a 4·5 per cent maximum movement of the 'cross-rate' of one EEC currency against another. This movement would thus be half that adopted in the Smithsonian 'tunnel' of a 9 per cent maximum 'cross-rate' for non-dollar currencies. The plan involved mutual aid in maintaining the narrow band for inter-EEC fluctuations. Co-operation in the foreign exchange markets was to be undertaken by the central banks, and a later decision established the European Monetary Co-operation Fund (EMCF) to assist this co-operation.

The snake came into operation in April 1972, and included the UK and Denmark, and Norway and Sweden, as well as the Six. The UK had to

leave the arrangement less than two months later, in June 1972, after an enormous loss to the reserves incurred in attempting to keep sterling within the specified band. Since that time the pound has floated. Italy was from the beginning allowed a special position, and the lira has never been fully included in the snake. In January 1974 the French franc also had to leave the snake, and though the French rejoined in 1975, they had to abandon the attempt once more in 1976. Thus the currencies that have remained in the snake are, in addition to the D-mark, the currencies of small economies very closely linked by trading and financial ties to the German economy. The snake arrangement for reducing day-to-day fluctuations of the EEC members' parities around their central par values has therefore lapsed into a mere D-mark zone. It should also be noted that membership of the snake does not imply long-term exchange rate stability. All these currencies have from time to time been obliged to devalue vis-à-vis the D-mark. But they have been prepared to fix a new par value for their currency, and to continue to operate the snake rules on each occasion.

Meanwhile economic divergence among the member countries has increased. There is no need to document this divergence in detail. It is described in successive EEC Annual Reports on *The Economic Situation in the Community*, in OECD statistics, and in many other sources. The most significant indicator for a discussion of EMU is the relative rates of inflation. Whereas in the late 1960s and early 1970s, when EMU was first actively under discussion, these ranged from about 2 per cent p.a. to 4 per cent p.a., in 1974–5 the divergence reached a range from 7 per cent (for Germany) to over 25 per cent (for the UK and Italy), and even in 1977, was from 3 per cent to around 15 per cent. In these conditions various studies, such as the Marjolin and Tindemans Reports in 1975 and 1976, created little impetus for further efforts towards EMU. Indeed the Tindemans Report, closely based on consultations with the member governments, recommended a formal acceptance in future proposals of the reality of division between strong and weak currencies, and was therefore criticized for proposing a 'two-tier' Community. Though this Report proposed that the monetary integration of the stronger currencies should not be held back by the problems of the weaker currencies, it did not, in fact, propose that the weaker currencies should be entirely left out of future monetary co-operation. Indeed it proposed that they should be associated with the snake countries in discussion of further co-operation within the snake. It may be regarded therefore as a precursor of the Schmidt proposals of April 1978.

Continuing Interest in EMU

Paradoxically, the ideas put forward by academic economists during this period have become more, rather than less, ambitious. Numerous

books and reports were published concerning various aspects of the parallel currency after 1972, covering both technical and economic effects. By 1975 these tended to be dominated by the concern about stabilization of the national economies, which created a new dimension to the discussion of EMU. In November 1975 *The Economist* published the 'All Saints Day Manifesto', in which a group of monetary economists claimed that an *indexed* parallel currency could help the EEC countries to achieve both monetary integration and economic stability. Later writings have studied a wide variety of schemes for both symmetrical (based on the average value of the basket of currencies) and asymmetrical (biased towards the more stable currencies in the basket) parallel currencies. There is no shortage of proposals for the politicians to choose from. Technical studies of the feasibility of various kinds of parallel currency, and of other ways of promoting EMU, have continued.

The main reason why interest in EMU has persisted, despite the lack of any real achievement, is that flexible exchange rates among the EEC member countries not in the snake since 1972 have not solved the problems of inflation and unemployment either. Academic controversy about the effectiveness of devaluation continues, but there is now a good deal of support for the view that parity flexibility has made much less contribution than had been expected to adjusting the national economies so as to improve the balance of payments, price stability and the level of employment. A number of studies of the effects of devaluation or depreciation in the UK provide econometric evidence that in the conditions of the 1970s it has had slighter and more short-lived effects on the real economy than in the 1950s and 1960s.[1] This evidence is open to various interpretations, with some claiming that it shows that the exchange rate can no longer be regarded as an instrument of economic policy, while others persist in a belief in its usefulness as a means of 'buying time' to adjust the economic structure. The key issues are: how much time is bought, at what cost, and how well it is exploited to bring about real changes in the economy. Econometric analysis is, unfortunately, not very helpful in answering these questions, and the need for more qualitative judgements explains some of the disagreements among economists about exchange rate policy.

The accumulation of experience and evidence on the relative ineffectiveness of exchange rates since 1972 explains why the issue of EMU has surfaced again, and why the new debate is based on the claim that, in contradiction to what was widely believed in 1972, EMU is desirable precisely because it can facilitate price stability and ease the path back to full employment.

[1] Some of these studies were reviewed in the EEC Commission's Optica Report, *Inflation and Exchange Rates, Evidence and Policy Guide-Lines for the European Community*, Brussels, February 1977.

Arguments against EMU

There remain, of course, strong arguments against EMU, and particularly against certain methods and types of EMU. Staying with the central issue of economic stabilization, the extreme form of the stable Europa can be criticized as having socially and politically unacceptable short-term consequences for the level of employment, since it would imply too sudden an imposition of monetary discipline. The argument is a fairly straightforward extension to the case of stabilization by adoption of an indexed parallel currency of the well known dangers to employment and growth of a too rapid reduction of inflation.[1] The usual remedies proposed to reduce 'stabilization unemployment' are to decelerate monetary expansion slowly, to announce the policy well in advance, and to encourage indexation, so that the gap between expected and actual inflation can be narrowed; the case is not so much against EMU as such, but against EMU if it means a too sudden stabilization. The objections are met if EMU is introduced only gradually, and if it is supported by adequate development of economic, and especially fiscal, policies.

In October 1977 Roy Jenkins, in a speech in Florence, called for a renewal of the debate on economic and monetary union. His plea was greeted with at least the degree of scepticism that normally applies to grand political declarations, especially of the EEC Commission—a body that has the power only to make proposals, decisions being firmly kept in the hands of the Ministers of the national governments, meeting from time to time in the various EEC Councils. Nevertheless, the Heads of Government meeting at the Copenhagen summit in April 1978 decided to examine ways of re-forming links between the currencies of the stronger and of the weaker economies of the EEC. The key element in pushing these new monetary proposals appears to have been the agreement and close relationship of Chancellor Schmidt and President Giscard d'Estaing. With a good deal of apparent reluctance the British Government agreed to join with the French and Germans in technical studies. These had advanced enough by early July for the next summit meeting in Bremen to issue a special Annex to the Communiqué, setting out the very broad lines of the new European Monetary System. Since this statement is extremely brief, it may be as well to quote in full what is the official public position:

The Bremen proposals

1. In terms of exchange rate management the European Monetary System (EMS) will be at least as strict as the 'snake'. In the initial stages of its operation and for a limited period of time member countries currently not participating in the snake may opt for somewhat wider

[1] See, for example, Professor David Laidler, 'Inflation and the case against European Monetary Union', a paper presented at Louvain in November 1977.

margins around central rates. In principle, interventions will be in the currencies of participating countries. Changes in central rates will be subject to mutual consent. Non-member countries with particularly strong economic and financial ties with the Community may become associate members of the system. The European Currency Unit (ECU)* will be at the centre of the system; in particular, it will be used as a means of settlement between EEC monetary authorities.

2. An initial supply of ECUs (for use among Community central banks) will be created against deposit of US dollars and gold on the one hand (e.g. 20 per cent of the stock currently held by member central banks) and member currencies on the other hand in an amount of a comparable order of magnitude.

   The use of ECUs created against member currencies will be subject to conditions varying with the amount and the maturity; due account will be given to the need for substantial short-term facilities (up to one year).

3. Participating countries will co-ordinate their exchange rate policies vis-à-vis third countries. To this end they will intensify the consultations in the appropriate bodies and between central banks participating in the scheme. Ways to co-ordinate dollar interventions should be sought which avoid simultaneous reverse interventions.

   Central banks buying dollars will deposit a fraction (say 20 per cent) and receive ECUs in return; likewise, central banks selling dollars will receive a fraction (say 20 per cent) against ECUs.

4. Not later than two years after the start of the scheme, the existing arrangements and institutions will be consolidated in a European Monetary Fund.**

5. A system of closer monetary co-operation will only be successful if participating countries pursue policies conducive to greater stability at home and abroad; this applies to deficit and surplus countries alike.

* The ECU has the same definition as the European Unit of Account.
** The EMF will take the place of the EMCF.

This general statement, which is obviously ambiguous in many respects, remains to be worked out in more detail, and it is expected that the scheme will be formally decided at the summit meeting of 4 December 1978. Since it was published, further clarifications have been few, and obfuscations many, with much press speculation. The chief bone of contention, especially between the British and the Germans, but probably between the French and the Germans also, appears to be the definition of a parity fluctuation which must be met by intervention. It was widely assumed in this country in July that adoption of the ECU, the European Currency Unit, based on a 'basket' of currencies, as the centre of the system would mean that the margins to be maintained for each currency

would be those in relation to the basket of all the other currencies in the system, and not the 36 cross-rates linking each currency with each of the other currencies in the system, the 'parity grid' currently operated in the snake system. The choice of exchange rate rule affects the distribution of the burden of intervention; under the parity grid system, intervention to prevent a rise in the D-mark would fall equally on the German and other countries' central banks; under the basket system, the major responsibility for intervening would fall on the country whose currency fell, or rose, out of line with the others (in the German case the Germans would have to expand their money supply to prevent an appreciation of the D-mark). This is clearly a matter of some economic significance for countries with weaker currencies, who do not wish to be pushed into too deflationary an economic policy by trying to keep up with the D-mark. In July it seemed that the French, whose inflation is now running rather higher than the British, would press with the UK for the use of the basket system. But following the Franco-German meeting at Aachen in mid-September, it appeared that the French had accepted the German position. The compromise, attributed to the Belgians, was to express the exchange rates in terms of the ECU, but to base intervention on the cross-rates. This would seem to make the ECU a merely nominal common currency, and to leave the new monetary system rather indistinguishable from the snake.

Is the EMS more than the 'snake'?

The objective of the new system is not, directly, to create monetary union, but only to bring France, Italy and the UK back into a system of monetary co-operation with the snake countries. The objective of the new system, as of the snake, is modest: to control the day-to-day, short-term fluctuations around the central par values. There is to be no fixing of exchange rates, since the central peg may be altered when necessary, as indeed had happened within the snake. The difference for France, Italy and the UK would be that they would have to declare exchange rates vis-à-vis other member countries in the system, and that these could only be adjusted after consultation with the partner countries. Thus there would be an end to independent managed floating, and a return to discipline on day-to-day rates and to periodic decisions, taken in consultation, to alter the par values.

The new system would in some ways go further than the snake. The ECU itself is a useful extension of the common unit of account, already extended in 1978 by introducing a new European Unit of Account (EUA) in the EC Budget. For the moment the ECU may be a rather nominal change, since it will not be used to trigger the actual interventions in exchange markets. However, there is a possibility that it could be used to redistribute the burdens of intervention a matter of days after the parity

grid had brought about the initial adjustments. It may also be useful psychologically as an earnest of the intention to move to a common currency some time in the future.

Reserve pooling is an old idea, included in Stage II of the Werner Plan. The size of the proposed common reserve, 20 per cent of gold and foreign currency holdings, and an equivalent amount of national currencies, sounds substantial. It would certainly create a useful additional security against unwanted parity changes being forced by speculation. However, the rules for the status and the use of this reserve pool are not yet published. The holdings may not be actually pooled, but only in some way ear-marked. Until more is known of the precise status of the reserve pool, it is right to be sceptical whether it will in fact prove to be any significant advance on existing mutual assistance among central banks, other than the increase from the 15,000 m. units of account lines of credit currently available.

A further advance on the snake proposed in the new system is the creation after two years of a European Monetary Fund, to take over from the existing European Monetary Co-operation Fund. Again, we have little indication of what is intended for the new Fund. Some of the uncertainty is derived from legal and constitutional obstacles, especially in Germany, to the modification of central bank behaviour that will be needed to comply with the new system.

The relationship between the new system and the existing snake is also unclear. Originally it appeared that the snake would continue unaffected, and that the weaker economies would have wider permitted margins than are allowed within the snake. To the extent that a 'dual margin' system emerges, the 'boa' would be looser, that is less, than the snake. With the setting up of the EMF after two years it would be possible to review how the two systems had operated side by side, and to bring them together if that then seemed feasible. So we may conclude that the UK, if it participated in the new scheme, would probably be joining something more than the snake, though not much more, but with a two-year transitional period, during which the margins would be wider.

Should the UK join?

The attitude of the UK Government so far has appeared rather ambiguous, though it is difficult to distinguish real fears about the implications of the system for UK economic policy from negative noises made as part of the inevitable bargaining process during the months in which the British must try to influence the scheme to make it as helpful as possible to them. While Mr Callaghan was explaining the scheme in quite encouraging terms in the House of Commons in July, the Treasury was apparently giving journalists a rather hostile briefing. In Montreal in mid-September Mr Healey was again telling journalists all the reasons

why we could not or should not join (see *The Times* and the *Guardian*, 22 September). But in Washington for the IMF meeting he was reportedly more positive. It is not wise to try to keep up with all the loaded statements and rumours that are inevitable in a delicate negotiation, which has to keep in mind the need not only to influence our partner governments but also to avoid upsetting the markets before the system has been finally agreed, or rejected.

There are, however, obviously three major preoccupations of the UK Government. First, the scheme may fail; it may prove impossible to stay within it. Secondly, if the UK succeeds in staying in, the consequences could be harmful to the economy. In addition, there is the political difficulty of attitudes towards the EEC within the Labour Party.

There is no need to review all the evidence accumulated over many years, both in relation to the snake and in the wider IMF arena, of the immense difficulty of exchange-rate management. The adjustable peg inevitably gives rise to speculation when it is thought that payments deficits and surpluses have gone beyond the point at which they are mere day-to-day fluctuations and have become structural disequilibria. Speculators are given the notorious 'one-way-option', and the larger the reserves committed to maintaining the rate, the larger the killing they make when the authorities finally have to give way.

There is one respect in which the new system may improve on the existing situation, in which, even though the French, Italian and UK rates are not pegged, the governments certainly take a view about the rate they would like to see. The EEC countries, together with non-member countries which may join the arrangement, would be in a much stronger position to avoid unwanted parity changes. Speculators moving out of dollars at present can push up the D-mark, picking on it as the most likely currency to appreciate. This drags the EEC parities apart. Speculators would find it more difficult to push up all the EMS parities together. The creation of a new 'pole' for the world monetary system would contribute to stability of the dollar, and the yen, as well as to the internal stability of the EEC currencies. Some commentators have criticized this aspect of the EMS as being anti-American. This interpretation has apparently been based on a judgement that the fall of the dollar has been caused by 'benign neglect', and that in the long term EEC monetary authorities would be better able than the individual European governments to influence US economic and monetary policies. This could be correct, but would not be without advantages for short-term world monetary stability, including stability of the dollar.

The second objection to the new system for the UK is that even if it succeeds in fighting off speculation against the pound, the economic effects of the monetary disciplines needed to do so would be harmful. Although the British could help themselves by entering the system at a

suitably low exchange rate (but I am *not* forecasting a pound devaluation on 1 January 1979), and although the system permits changes in the peg to meet persistent payments' disequlibria, it is certainly intended to impose more monetary discipline on its members. It is feared in some quarters that this could mean administering to the UK economy yet another dose of low investment, low growth and high unemployment. The view one takes on this question depends on one's position regarding UK domestic economic policy. While there would be wide agreement that a too rapid reduction in the rate of inflation would be harmful, there is strong support for the view that low investment and growth is now closely related to expectations being disrupted by inflation. And we must recall the evidence that during 1972–7, the period of a falling pound, we succeeded only to a limited extent in altering the effective exchange rate, so depreciation of the pound did not create full employment and growth, but merely permitted the inflation. This is the case, expressed by Roy Jenkins in his Florence speech in October 1977, for believing that monetary stability in the EEC can contribute to reducing inflation and eventually unemployment, and to a return to steady growth.

In conclusion, it seems that the attitude of the UK Government is contradictory, and that we risk falling simultaneously between several pairs of stools. There is clearly a risk that if we play too hard our usual EEC game of blowing cool when others propose something, they will go ahead with a scheme not to our liking and either exclude us or graciously allow us to join later, on their terms. More serious than this, if the preceding analysis is correct, the worst EMS for the UK to join would be a weak system, watered down because we are worried about our ability to prevent a return to double-digit inflation, and therefore foredoomed to failure. That would do neither us nor the rest of the Community any good. The best scheme to join would be one which is tough and credible, which convinces the world that we have the will not only to integrate our monetary policy in the European Community but also, and more important, to solve our domestic economic problems.

Further considerations

This article has concentrated on the immediate issue of whether the EMS is or could become a viable policy option for EEC member governments, and especially for the UK, in the current international monetary situation. However, it is clear that this is intended as a step towards EMU and this raises a number of issues that need to be further considered.

EMU is highly complex, both technically and politically. Comprehension of what is involved is hampered by the shortage of relevant comparisons. Reluctance to accept an irrevocable commitment to such an all-embracing common policy as EMU explains the attitude of extreme reserve common in political and official circles in the UK, and elsewhere: while EMU may one day be necessary, 'the time is not yet ripe'. This

natural reluctance to leap into the unknown all too often leads to an impatient conclusion that EMU should therefore not be considered seriously until after the economies of the member countries have been made to converge. This approach is unhelpful, since the argument and the evidence suggest that parity changes are relatively ineffective, and indeed that parity changes may themselves allow and exacerbate the divergence of the economies. Without the monetary discipline imposed by an international commitment to more stable exchange rates, there appears to be no effective pressure to reduce economic divergence. A more constructive approach, therefore, would be to consider how economic convergence may be brought about in parallel with the installation of monetary arrangements to cope with the existing reality.

Economic convergence and monetary union would eventually require development of an extensive range of common policies, summed up in the term 'economic and political union'. These requirements of monetary union have been reasonably well understood from the beginning of the 1970s. They were implied in the objective adopted by the Hague Council in December 1969, which was not EMU but 'European Union'. They were also implicit in the debate between 'monetarists' and 'economists' at the time of the Werner Plan.[3] There is, however, a certain confusion in the use of an appeal to the need for common economic policies as a reason for not taking seriously proposals leading towards monetary unification. The two aspects of policy form a single whole, and just as monetary union is inconceivable without a major development of common economic policies, so common economic policies are unacceptable without a commitment to monetary union. What has always been, and is still, needed is a balanced package or programme, with careful timing of advances on the side of common economic policies phased in with development of common monetary instruments.

A major development of the EEC Budget would clearly be involved in EMU, since many of the common actions would need to be financed through the Budget. This raises the issue of systematic and preferably automatic transfers from the richer to the poorer states and regions (which so far are grossly under-developed relatively to the transfers that take place *within* the member states), and it becomes important to study the possible development of 'fiscal federalism' in the EEC.[4]

A common argument in support of EMU has been that the economies of the EEC member countries are now highly interdependent; but little systematic attempt has been made to measure the interdependence of the EEC economies, and such evidence as there is raises awkward questions

[3] The economic policies that would be needed have been examined in a number of studies, among them a Report by a Federal Trust Study Group, *Economic and Monetary Union in Europe* (London: Croom Helm, 1974).

[4] A start was made in this direction in the Report of the Commission Study Group on 'The Role of Public Finance in European Integration', Brussels, April 1977 (the MacDougall Report).

when set alongside the evidence on both the much higher interdependence of regions within the member states, and the considerable interdependence of EEC countries with non-EEC countries, especially the US. Reference to the much higher interdependence of regions within the member states leads to the conclusion mentioned above, that only when the economies have converged, and when a high degree of common policies and 'fiscal federalism' has been developed, will monetary union be acceptable. However, the study of interdependence could also throw light on the policies that will be needed, and on the thresholds that need to be crossed, before some of the common monetary policies can be readily accepted.

There also remains much to clarify concerning the purely monetary issues, by an assessment of the key elements in the process of monetary integration. It is necessary to distinguish common instruments and institutions that may be feasible and necessary in the next few years from those that are only relevant in a more distant future; and to explore the immediate economic, administrative and political problems of installing these elements in the EEC monetary system.

If in the light of these comments EMU appears so technically, economically and politically complex as to be a hopeless endeavour for the UK, it becomes important to consider the alternatives. One is to 'muddle along', in the words of Chancellor Schmidt (*The Times*, 25 April 1978), much in the present way. To do so presents risks to national economic stability and to the existing benefits of integration in the EEC, but avoids the uncertainties of EMU. The more radical alternative is to adopt a solution to UK economic problems, following policy prescriptions deriving from the New Cambridge School's analyses. They also believe that parity changes are rather ineffective, but arrive at opposite conclusions from EMU as their solution. Their prescriptions for maintaining the levels of investment and employment in the UK economy by imposing new protective tariffs and/or import controls would imply a major upheaval in the EEC, and in all probability withdrawal of the UK from membership. It would also, to say the least, have serious implications for the GATT, and increase the danger of a world-wide slide into protectionism, unless it could be made a part of a new system of 'managed' international trade. In the domestic economy it would also imply a substantial increase in state intervention, planning and controls. This kind of programme is indeed a logical alternative to EMU, and one which may in the long term be chosen, by default, if 'muddling along' proves inadequate. Its consequences should therefore be explored in the process of deciding whether or not to participate in the EMS proposed at the Bremen summit.[5]

[5] The possibilities and international consequences of protection and its use as a policy instrument will be examined in a forthcoming article in *The World Today* by Wynn Godley.

The 1977 Panama Canal Treaties: beginning of a new era?

HANS G. KAUSCH

AT the signing ceremony for the two new Panama Canal treaties President Carter remarked that if any agreement between two nations is to last it must serve the best interests of both. This had evidently not been the maxim of President Theodore Roosevelt when concluding the treaty of 1903[1] which has formed the legal basis for the canal to this day. The treaty had granted the United States inter alia the 'use, occupation and control' of a ten-mile wide zone across the isthmus of Panama 'in perpetuity' and had undoubtedly been vastly more advantageous to the United States than to the young Republic of Panama. The complex and emotionally charged history of the canal[2] needs to be kept in mind when assessing the 1977 treaties.

Panama and other Latin American countries had repeatedly characterized the old relationship between the two signatories as a remnant of colonialism. The new treaties are to provide a different basis for their relations reflecting the evolution experienced by the international community under the aegis of the United Nations. The Panama Canal thus is to keep its symbolic significance: originally the symbol of American ingenuity and the power and perseverance of the United States, it soon became a symbol of Panama's—unfulfilled—nationhood; now the treaties are supposed to symbolize the ability of the United States to initiate, from a position of power, a new era of shared commitment and responsibility between unequal partners as a basis for good relations and true co-operation in the hemisphere and with less developed countries generally. The burden of such symbolism may explain why it took thirteen years of difficult negotiations before the new treaties were signed and why the ratification debate in the United States lasted for nearly ten weeks. Indeed, the Senate discussed the Panama Canal treaties longer and more intensively than any other treaty since the debate on the US accession to the League of Nations.

[1] G. F. de Martens (ed.), NRG[3], Vol. 31, p. 599.

[2] See David McCullough, *The Path between the Seas: The Creation of the Panama Canal, 1870–1914* (New York: Simon & Schuster, 1977); Walter La Feber, *The Panama Canal: The Crisis in Historical Perspective* (New York: OUP, 1978); Jo Beresford, 'The Panama Canal treaties', *The World Today*, December 1977, p. 443.

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Conflicting concepts

Both Panama and the United States had always felt that this international waterway was of vital national interest to them. The conflict basically had its roots in the fact that national interest in Panama mainly spells sovereignty, and in the United States security, and that both concepts are not easily reconciled. It is thus not surprising that for a long time the question of who was the sovereign power in the Canal Zone dominated the discussion. When General Omar Torrijos Herrera took over in Panama in 1968, he promised to restore his country's full sovereignty over the Canal Zone. In the United States, it had been recognized some time ago that the real issue was a guarantee of safe passage through the canal rather than the defence of certain sovereign rights deriving from the 1903 treaty. Even President Carter, however, promised in his 1976 campaign that he would never give up complete, or at least practical, control over the Zone.

Panama's aim was to repeal the limitations on its sovereignty in the Canal Zone which had been a real as well as a psychological barrier to its development. The new treaties were supposed to bring Panama, in line with the aspirations of other developing countries, the full economic benefits of the exploitation of its resources, i.e. in this case the canal, and a share in the business opportunities going with it. The strategic military interests of the United States in the canal retain their significance dating back to the days of the Spanish-American war in 1898, when the battleship *Oregon* needed 68 days for the trip around South America only to arrive in Cuba too late to take part in the hostilities. The importance of the canal for world trade and the US economy is undeniable even in the face of significant alternatives that have been developed recently.

Because of its geographical situation the United States today still has a considerable—though probably diminished—interest in keeping the Panama Canal open in the future. The proponents of the new treaties felt that the adjustment to present-day international realities would be the best basis for securing those interests, by restoring to Panama full sovereignty over the Zone and letting it participate actively in running the canal. Opponents thought that the status quo, or at least certain rights of control and defence based on it, were indispensable. They doubted Panama's willingness and ability to guarantee the use of the canal for all at reasonable conditions in the future. These doubts were nourished by Panama's military defencelessness, its economic weakness and dependence on the canal, technical problems in the operation of the canal, the undemocratic government and frequent violations of human rights and, finally, by the present and potential influence of Cuba on Panama and the growing influence of the Soviet Union in the Caribbean. Aside from military and economic reasons, public opposition in the US mainly had political and psychological roots. Concessions to Panama were regarded

as a superfluous and dangerous retreat of the super-power, which stood to lose face in the world. Thus the Panama Canal had become, in both countries equally, the symbol of the moral force of a nation that must be prepared to defend its legitimate interests. After the loss of its strategic superiority vis-à-vis the Soviet Union, after Vietnam and the Pueblo and Mayaguez incidents, the United States, in the opinion of the treaty opponents, should not constantly have to be on the defensive. They feared a power vacuum in the Caribbean and saw the danger of renewed 'domino tactics', the next step being a threat to the Guantánamo Bay in Cuba and its base that would have an even greater military importance for the United States after the return of the Canal Zone to Panama. Some critics saw no moral obligation at all to give up the Zone, compared it with returning Alaska to the Soviet Union and feared a process of national suicide.

The 1977 compromise: mixed reception

The treaties[3] which were signed in Washington on 7 September 1977 sought a compromise between these divergent interests. According to the Panama Canal Treaty, the final transfer of the canal to Panama will take place on 31 December 1999. Panama, whose territorial sovereignty is expressly recognized, grants the United States the rights necessary for the operation, maintenance and defence of the canal until the end of this century. The administration of the canal will be in the hands of a new US Government agency, the Panama Canal Commission, which will operate with increasing Panamanian participation. A number of intricate details were regulated regarding payments to Panama out of the operating revenues of the canal, employment policies, commercial operations of US citizens, jurisdictional arrangements and flags, the protection of the environment as well as questions of an eventual sea-level canal. The United States and Panama under this treaty have a joint commitment to protect and defend the canal until the end of 1999, the primary responsibility remaining with the United States.

Under the parallel Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Panama unilaterally declares the neutrality of the canal. The regime of neutrality established in this treaty shall guarantee that in time of peace or of war the canal will remain open to the shipping of all nations on terms of equality. A separate Protocol to the Neutrality Treaty will be deposited with the Secretary-General of the Organization of American States (OAS) open to accession by all states. The signatories would associate themselves with the regime of permanent neutrality.

The treaties had a mixed reception in both countries. The economic expectations of Panama had proved impossible to fulfil. Both sides had

[3] *Department of State Bulletin*, 1977, p. 483.

agreed early in the negotiations that Panama's annuity should be con siderably higher than the present $2·3 million. But Panama had nur tured false hopes when it started demanding an initial payment of $1· billion and an annuity of $300 m.: the treaty merely accords it an annuit that will amount to approximately $60 m. A substantial lump sum pay ment to Panama clearly would have been beneficial to the economi development of the country and could have contributed indirectly to th security of the canal by way of the expected increased political stability Any such aid linked with the treaties had, however, no chance in Con gress and possibly would have endangered the treaties. Instead the US Government independently promised Panama several loans totallin approximately $300 m. for economic development in addition to militar sales credits. The treaties must therefore also be seen against Panama' disastrous economic condition that made foreign relief obligatory. Thi affected the negotiating position of the Torrijos Government, whicl feared strong pressures from the economic community in case th economic crisis worsened as well as trouble from the radical elements i case the transfer of the canal was delayed any longer.

The defence rights of the United States as defined in both treaties which General Torrijos characterized as placing his country under th protective umbrella of the Pentagon, were unanimously rejected i Panama. In particular, criticism was levelled at article IV of the neutralit treaty in which the United States and Panama 'agree to maintain th regime of neutrality established in this Treaty, which shall be maintaine in order that the Canal shall remain permanently neutral...' The Pen tagon had always desired clear intervention rights for the protection of th US interest in a free passage through the canal; but such rights could no be expressly formulated in the treaty because of the special sensibilitie in this respect in Latin America and because of the principle of non intervention enshrined in the UN Charter, the OAS Charter and the Ri Pact.[4] On this vital point, American diplomacy succeeded in avoiding th word 'intervention' without necessarily giving up any ground. Ir Panama, it was feared that future generations in the United States migh interpret article IV to allow intervention. Consequently the Torrijos Government in its referendum campaign stressed full sovereignty and denied any intervention rights.

In the United States, criticism equally concentrated on the question of intervention rights after the departure of US troops from Panama at the end of the century. The carefully negotiated compromise threatened to doom the treaties since the official denial of intervention rights in Panama brought about adverse reactions in the United States. The US Govern ment was obliged to convince the public that the United States could secure its interests by force if needed.

[4] Art. 2 (4) UN Charter; Art. 15 OAS Charter; Art. 1 Rio Pact.

President Carter and General Torrijos tried to save the compromise by formulating a joint Statement of Understanding[8] not signed by either party. The statement emphasizes that both countries shall defend the canal against any threat to the regime of neutrality and have the right to act against any aggression or threat directed against the canal or the peaceful transit through it. It is added that this shall not be interpreted as a right of intervention in the internal affairs of Panama, and no action of the United States would ever be directed against the territorial integrity or political independence of Panama. Shortly thereafter, on 23 October, the treaties were approved in Panama in an unusually free plebiscite by 66·1 per cent of the voters. Considering the importance of the treaties for Panama, this result reflected a noticeable reservation on the part of the public.

Remaining ambiguities

The Statement of Understanding did not really eliminate the uncertainties and ambiguities of article IV of the neutrality treaty. Both sides could insist on their interpretation. Important questions remained open, such as what was to be regarded as a threat to peaceful transit, according to which procedure the partners would consult in times of conflict, and whether the United States could intervene militarily against the will of Panama. It is questionable how a military intervention for the protection of the canal under Panamian sovereignty could take place without violating Panama's territorial integrity.

In the Senate, the treaties were attacked especially in this context. The Committee on Foreign Relations, with the support of President Carter and the approval of General Torrijos, therefore recommended the incorporation in the neutrality treaty of the Statement of Understanding by way of two amendments in order to express clearly a unilateral right of intervention in case of an armed attack from outside Panama. Senator Dennis De Concini managed to have the Senate add a reservation to the neutrality treaty[9] that enables the United States to intervene military also in cases when the operation of the canal would be threatened by activities within Panama. Senator De Concini had explained that he was worried about the operation of the canal in the case of labour unrest and strikes, actions of an unfriendly Panamanian government, political riots or upheavals. He cited the example of a 'sickout' some years ago which had disrupted canal operations—a surprising instance considering the recent experiences of US coal miners with the Taft-Hartley Act. It is not easy to speak of the beginning of a new era with regard to this reservation which seems rather to be a step backwards. Under President Franklin D.

[8] *American Journal of International Law*, 1974, p. 516.
[9] For text of all amendments, reservations and understandings, see *Department of State Bulletin*, No. 2016, July 1978, p. 52.

Roosevelt's Good Neighbour policy, the United States in 1934 had revoked the Platt amendment that contained intervention rights in Cuba and in 1936 had also given up certain intervention rights enshrined in the old 1903 canal treaty which had allowed the United States to deal with political unrest in Panama's cities. President Carter reluctantly agreed to the De Concini reservation: he saw no other chance for ratification and had to consider his own political future in view of his Administration's support for the treaties with an unprecedented campaign. Another reservation enables the United States, contrary to article V of the neutrality treaty, to station troops in Panama after the year 2000 if both governments consider this 'necessary or appropriate'.

In Panama, the Senate reservations were received with such unanimous and strong opposition that it seemed unlikely that another referendum to approve the treaty changes would be successful. General Torrijos therefore denounced the reservations in letters sent to some heads of state and to the Secretary-General of the United Nations. By mobilizing world public opinion he tried to put pressure on the Senate to neutralize the De Concini reservation to the neutrality treaty when ratifying the Panama Canal Treaty. This in turn was to enable him to convince Panamanians that the treaties had not been altered so that a new referendum would be unnecessary.

The Senate Majority Leader, Robert Byrd, finally found a new compromise in direct negotiations with Panama, which led to the ratification of the Panama Canal Treaty by the same slight 68–32 margin as that of the neutrality treaty a month earlier. Byrd's formulation to a certain degree neutralizes the De Concini reservation without cancelling it out. It expressly states that any action taken by the United States shall be only for the purpose of keeping the canal open and shall not be interpreted as a right of intervention or interference with Panama's political independence or 'sovereign integrity'. The term 'territorial integrity' which Panama would have preferred was avoided because it would have forestalled any kind of military action envisaged in the De Concini reservation. Panama accepted all Senate amendments, reservations and understandings without a new referendum when exchanging the instruments of ratification in Panama City on 16 June 1978.

President López Portillo of Mexico clearly expressed his discontent with the De Concini reservation which he sees as a right of intervention and a threat to all of Latin America. Since other Latin American countries also have voiced some criticism, it seems doubtful whether the majority of states on the continent will be prepared to sign the protocol to the neutrality treaty. Even if this protocol were to be signed by a number of them, it will never be a substitute for a real international guarantee. Early in 1977 General Torrijos had proposed a United Nations guarantee for free access and the defence of the canal. The United States evidently

did not find this solution very attractive—probably bearing in mind its experiences with the Security Council debate on the Panama Canal in 1973[7] and the present majority in the General Assembly. It may also have anticipated practical difficulties in operating such an international regime. The Latin American members of the OAS were not eager to take on international commitments of their own because of their experiences in connexion with the joint operation in Santo Domingo in 1965.

Conclusions

Do the new Panama Canal treaties thus signify the beginning of a new era? Considering first the relationship within the United States between President and Congress, it is difficult to speak of a new start. The obvious dependence of the Administration on Congress, which was reflected in the ratification debate, casts considerable doubt on the ability of the President to restructure US foreign policy in the wake of Vietnam and Watergate. Congress made it clear that it was willing to make use of its powers, such as those contained in the War Powers Resolution of 1973[8] and the War Powers Act of 1977.[9] Article IV of the neutrality treaty was not formulated as a US obligation of defence since Congress has the last word before troops are sent abroad.[10] The important influence individual members of Congress can have on decisions in foreign affairs may have disturbing effects because of the element of unreliability introduced by it. The usual prior determination of voting behaviour necessarily accords a disproportionately important role to those unwilling to commit themselves. The Carter Administration had to counter many allegations that it had tried to secure individual votes with other concessions in breach of elementary ethical rules of democracy.

Concerning US foreign policy, it is to be hoped that a new era has really been initiated. For both the United States and Panama it will be important to show willingness to honour the commitments and limitations of the treaties in times of tension. Panama would be well advised not to resort to the use of force (which was considered by General Torrijos in the event that the negotiations would have failed). Even if this might at times seem difficult, Panama should honour the new treaties just as it has loyally observed the certainly far less advantageous 1903 treaty. This requires a careful judgment in the assessment of tolls and a foreign policy enabling Panama strictly to guarantee the neutrality of the canal in the interest of all its users. The United States, it is hoped, will exercise with care the rights accorded to it. This means mainly that it should regard the defence rights only as a possibility of deterrence and abstain from walking the narrow path between military protection of the canal and interference

[7] See UN Doc. S/10931/Rev. 1; *Department of State Bulletin*, 1973, p. 490.
[8] P.L. 93–148, 87 Stat. 555 (1973).
[9] P.L. 95–223 (28 December 1977).
[10] See Sec. 8 (a) (2) War Powers Resolution of 1973.

in Panama's affairs. Both parties will have ample opportunity to prove their willingness to co-operate in the newly established joint bodies for the operation and defence of the canal until 1999.

The relationship between the United States and Latin America as a whole probably is too complex to have received key impulses by this solution to the Panama Canal problem. Much would have changed for the worse, however, if the treaties had failed. The Latin American states hope for a new era on the basis of equality mainly in the economic field. But certain limits to the process towards a new international economic order could be noticed during the ratification debate in the United States. The De Concini reservation has given rise to new distrust and fear of interventions. The United States probably will have to show soon how it perceives a new era when reacting to the increasing presence of the Soviet Union in the Caribbean and assessing its relationship with the new oil-rich countries, such as Mexico and Belize. It will also be interesting to watch in which way the United States will secure its interests in new projects such as a pipeline through Guatemala that is to transport the Alaska oil, a possible 'land canal' in Mexico that is to combine port facilities with rail and highway lines for an efficient container route, or a sea-level canal in Nicaragua to enable it to free itself from dependence on the Panama Canal. At this stage it is difficult to say whether a new era in US relations with Latin America and the Third World generally has begun. Nevertheless, the Panama Canal treaties are an important example showing that in today's world a peaceful solution of intricate international conflicts is possible by way of adjustment to new situations with patience, good will and mutual concessions.

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